FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

ATTENTION!! **ATTENTION!!** **ATTENTION!!**

FBIS will phase out publication of most of its paper reports, including ALL Daily Reports and most FBIS Reports, by 31 December 1996.

See inside for information on how to access FBIS products and services electronically.

FBIS-SOV-96-092
Friday
10 May 1996

May 1996

Dear Customer:

Responding to our many customers' requests, NTIS is offering FBIS publications electronically. Due to resource limitations, hardcopy production of FBIS publications will be phased out during 1996. Hardcopy reports will be discontinued according to the following schedule:

1 April	*Arms Control and Proliferation Issues*
1 May	*Environment and World Health*
1 June	*Narcotics*
1 July	*Terrorism*

Hardcopy publication of the regional DAILY REPORTS will cease as follows:

1 August	*China, Latin America*
19 August	*Near East and South Asia, West Europe, Sub-Saharan Africa, West Europe Economic Review*
2 September	*East Asia, East Europe, East Europe Economic Review*
16 September	*Central Eurasia, Central Eurasia Military Affairs, Central Eurasia Economic Review*

FBIS' goal is to cease publication of all hardcopy reports by 31 December 1996 except for S&T PERSPECTIVES, S&T CENTRAL EURASIA, S&T CHINA, S&T KOREA, S&T EUROPE, and S&T JAPAN. The S&T reports will continue to be published as hardcopy until the graphics they contain can be disseminated on-line.

FBIS products are offered electronically through the National Technical Information Service's (NTIS) "World News Connection" (WNC). This is a new on-line subscription service accessible through the World Wide Web. The Web address is http://wnc.fedworld.gov. Please see the next page for a subscription form or call NTIS Fax Direct at 703-487-4140 and enter product code 8645 to receive more information.

World News Connection - WNC1...**$ 21**
7 Day - Introductory Offer
Unlimited interactive searching
[no profiles]
Order number SUB-9856BDQ

World News Connection - WNC2...**$ 50**
Monthly
Unlimited interactive searching
[no profiles]
Order number PB95-985700BDQ

World News Connection - WNC3...**$ 75**
Monthly
Unlimited interactive searching
[1 profile]
Order number PB95-985800BDQ

World News Connection - WNC4...**$100**
Monthly
Unlimited interactive searching
[up to 5 profiles]
Order number PB95-985900BDQ
(Prices are subject to change)

World News Connection™

A Foreign News Alert Service
from
the U.S. Government

User Name *(Please Print or Type)*	**Internet E-mail Address** *(Required)*	**Order Number**	**Price**
1)			
2)			

(Continue on a blank sheet if more space is required)

Deposit Account Number (for NTIS account customers only):

Customer Master Number (if known): Date:

Contact Name: Organization:

Street Address: City: State: Zip:

Province/Territory: Country:

Foreign Postal Code:

Internet E-mail Address (Organization contact person):

Telephone Number: ( ) Fax Number: ( )

Credit Card Number:

Credit Card Expiration Date:

Card Type (Visa, Master Card, or American Express):

Cardholder's Name (as printed on the credit card):

Cardholder's Signature (required to validate all orders):

(Please fax this form back to NTIS at **703-321-8547**. Fax service is available 24 hours a day, 7 days a week. To verify receipt of your fax, call (703) 487-4679 between 7:00am - 5:00pm, Monday - Friday, Eastern Time.)

Daily Report
Central Eurasia

FBIS-SOV-96-092 CONTENTS *10 May 1996*

NOTICE: An * indicates material not previously disseminated in electronic form.

PRESIDENTIAL ELECTION ISSUES

Russia: Yeltsin Arrives in Volgograd, Defends Korzhakov *[ITAR-TASS]* 1
Russia: Yeltsin Claims No 'Disagreements' With Korzhakov *[Moscow NTV]* 1
Russia: Yeltsin Departs Volgograd for Akhtubinsk 9 May *[ITAR-TASS]* 2
Russia: Yeltsin Arrives in Akhtubinsk, Shares Impressions *[ITAR-TASS]* 2
Russia: Yeltsin Addresses Personnel of Kapustin Yar Test Range *[ITAR-TASS]* 3
Russia: Yeltsin's Withdrawal Seen as Key to Democrat Win *[NOVAYA GAZETA-PONEDELNIK 29 Apr]* 4
Russia: Zyuganov Pledges To Prevent Political Persecution *[INTERFAX]* 6
Russia: December 1995 Elections Seen as Guide for 16 June *[SEGODNYA 25 Apr]* 7
*Russia: Results of Nation-Wide Election Poll Analyzed *[NEZAVISIMAYA GAZETA 24 Apr]* 11
*Russia: VTsIOM Conducts Poll on Citizens' Voting Plans *[SEGODNYA 18 Apr]* 15
*Russia: Opinion Poll on Candidates, Economy Reviewed *[INTERFAKS-AIF 15-21 Apr]* 22

INTERREGIONAL AFFAIRS

Baltics: Baltic Parley on Organized Crime Opens in Vilnius *[BNS]* 26

RUSSIA INTERNATIONAL AFFAIRS

Russia: Primakov Returns to Yerevan on Diplomatic Mission *[ITAR-TASS]* 27
Russia: Zyuganov: Baltics Could Be Threatened by Economic Means *[BNS]* 27
Russia: Estonia Wants Cooperation Despite 'Hostile Statements' *[INTERFAX]* 27
Russia: Russian, Ukrainian Officials Cited on NATO Expansion *[BELAPAN]* 27
Russia: Moscow Conference on Collaboration With U.S., Finland *[TRUD 7 May]* 28
Russia: Reporter Analyzes Outcome of ROK Foreign Minister's Visit *[Moscow International]* 28
Russia: Hong Kong Conference on Prospects for Russian Trade *[FINANSOVYYE IZVESTIYA 7 May]* 29
Russia: Turkish Prime Minister Denies Involvement in Chechnya *[INTERFAX]* 30
Russia: Turkish Premier on Ties With Russia, Central Asia *[INTERFAX]* 30

RUSSIA NATIONAL AFFAIRS

Political Issues

Russia: Yeltsin Eulogizes Wartime Losses in Kremlin *[Moscow ORT]* 31
Russia: Yeltsin Calls on Veterans To Ensure Stability, Peace *[ITAR-TASS]* 31
Russia: Top Leadership Views Victory Day Parade From Lenin Mausoleum *[ITAR-TASS]* 31
Russia: Lebed Addresses Radio Listeners on Victory Day *[Moscow Radio]* 31
Russia: Spy Scandal Seen as Part of Yeltsin Election Campaign *[London THE DAILY TELEGRAPH 9 May]* 32
Russia: Yeltsin Aide Denies Link Between Spy Scandal, Elections *[ITAR-TASS]* 33
Russia: Police Detain Chechen Rebel Parliament 'Representative' *[INTERFAX]* 33
Russia: Decree on Revaluation of Oil Enterprises' Fixed Assets Issued *[ROSSIYSKAYA GAZETA 30 Apr]* 33
*Russia: Leading Politicians for April Listed *[NEZAVISIMAYA GAZETA 30 Apr]* 33

Military Issues

Russia: Deputy Minister Welcomes Pro-Defense Industries Decree *[Moscow ORT]* 39

Russia: Federation Council To Reconsider Law 'on Defense' *[ITAR-TASS]* 39

Federal Assembly

Russia: Legislative, Regulatory Documents 28 Apr-4 May *[FBIS Report]* 40

Regional Affairs

Russia: Yeltsin: Chechen Peace Treaty Possible Before Elections *[ITAR-TASS]* 41
Russia: Chechen Premier Zavgayev Speaks at Victory-Day Commemoration *[ITAR-TASS]* 41
Russia: Future of Post-Dudayev Chechnya Pondered *[KOMSOMOLSKAYA PRAVDA 7 May]* 41
Russia: Urus-Martan Not Struck by Federal Helicopters 'on Purpose' *[INTERFAX]* 44
Russia: Amur Oblast Local Election Results Analyzed *[ROSSIYSKIYE VESTI 7 May]* 44
Russia: Maritime Kray Calls For Support for Trade With China *[DOM I OTECHESTVO 7-12 May]* 46

Economic Issues

Russia: Bank Chiefs Predict Economic Improvements *[ITAR-TASS]* 47
Russia: FSB Investigating Illegal Export of Dual-Purpose Material *[Moscow NTV]* 48
Russia: Failure To Purchase Home Produced Aircraft Deplored *[RABOCHAYA TRIBUNA 6 May]* 48
Russia: Election Promises Economically Costly *[NEZAVISIMAYA GAZETA 18 Apr]* 49

UKRAINE

National Affairs

Ukraine: Kuchma Appoints Reformer as Economic Advisor *[INTERFAX]* 51
Ukraine: Lazarenko Views Economic, Political Issues *[DEMOKRATYCHNA UKRAYINA 23 Apr]* 51
Ukraine: Contract Signed To Complete Construction at Nuclear Plants *[UNIAR]* 54

Economic Issues

Ukraine: Cabinet Examines Debt, Nonpayment Problems *[INTERFAX]* 54
Ukraine: Pynzenyk on Monetary Policy, Reform *[ZERKALO NEDELI 7 May]* 55

WESTERN REGION

Belarus

Belarus: NATO Official Hopes for 'Intensive' Belarus Contacts *[BELAPAN]* 59
Belarus: President Chides Officials Over Failure To Pay Wage Arrears *[Minsk Radio]* 59
Belarus: OMON Clashes With Popular Front War Veterans Over Flags *[INTERFAX]* 59

CENTRAL ASIA

Kazakhstan

Kazakhstan: PRC Chief of Staff Arrives, Greeted by Foreign Minister *[INTERFAX]* 60
Kazakhstan: Foreign Minister Tokayev Meets Chinese Army Chief *[Almaty TV]* 60

Uzbekistan

Uzbekistan: Turkish President Addresses Businessmen in Tashkent *[Ankara TV]* 60
Uzbekistan: Turkey's Demirel on Concern Over Russian Policies *[Ankara TV]* 61

CAUCASUS

Armenia

Armenia: Russia's Primakov Leaves Yerevan With 67 Azeri Hostages *[ITAR-TASS]* 62

Armenia: Russia's Primakov Meets Ter-Petrosyan, Papazyan *[ITAR-TASS]* 62
Armenia: Yerevan Stresses Importance of Keeping Karabakh Truce *[INTERFAX]* 62
Armenia: Ter-Petrosyan Links Economic Growth to Foreign Investment *[INTERFAX]* 62
Armenia: Companies From Various Countries at Investment Conference *[NOYAN TAPAN]* ... 63

Azerbaijan

Azerbaijan: Turkey Cancels Financing for Western Route Oil Pipeline *[TURAN]* 63
Azerbaijan: Protocol With Iran on Shah-Deniz Oil, Gas Signed *[TURAN]* 63
Azerbaijan: Armenian Official on Yak-40 Incident *[RESPUBLIKA ARMENIYA 1 May]* 64

BALTIC STATES

Estonia

Estonia: Security, NATO Cooperation Discussed With Finnish Minister *[Tallinn Radio]* 66
Estonia: Finnish Foreign Minister Stresses Minority Rights *[BNS]* 66
Estonia: Finnish Minister Discusses Security, Visa-Free Travel *[Helsinki Radio]* 66
Estonia: Foreign Ministry Denies Links With Terrorists *[Ministry of Foreign Affairs Press Release]* 67
Estonia: Estonia Denies Arming Chechens, IRA *[ITAR-TASS]* 67
Estonia: Weapons Smuggling Row Mars Relations With Russia *[Moscow NTV]* 67
Estonia: Foreign Minister Says Russian Diplomat Will Be Expelled *[Tallinn Radio]* 68
Estonia: TV Reveals Identity of Swapped Spies, Shows Evidence *[Tallinn TV]* 69
Estonia: Security Police Publish Data on Russian Diplomat *[INTERFAX]* 69
Estonia: Expelled Russian Spy Previously Expelled From Finland *[BNS]* 70

Lithuania

Lithuania: Government, IMF Fail To Reach Agreement on Key Issues *[BNS]* 70
Lithuania: Premier Discusses Results of Visby Conference *[ELTA]* 70
Lithuania: Foreign Ministry Anxious Over Russian Territorial Claims *[BNS]* 71
Lithuania: Danish Defense Chief Arrives for Official Visit *[Vilnius Radio]* 71

Russia: Yeltsin Arrives in Volgograd, Defends Korzhakov

LD0905134896 Moscow ITAR-TASS World Service in Russian 1319 GMT 9 May 96

[By ITAR-TASS special correspondents Sergey Trofimov, Andrey Shtorkh]

[FBIS Translated Excerpt] Volgograd, 9 May (Itar-Tass) — Russian President Boris Yeltsin arrived in Volgograd today, on Victory Day. Here, in the hero town on the Volga, where a crucial breakthrough in the Great Patriotic War took place, the head of the Russian state is starting his working trip around the Lower Volga region. The president plans to visit Astrakhan, Akhtubinsk, and Znamensk.

Talking to journalists at Volgograd Airport, Boris Yeltsin stressed that his arrival in the town on the Volga on Victory Day is no mere coincidence since "Stalingrad was one of the main landmarks of the Great Patriotic War." It was here precisely that a breakthrough in the war took place, the Russian president recalled.

Asked by correspondents to comment on the much-talked-about interview given by General Aleksandr Korzhakov, head of the presidential security service, Boris Yeltsin said that "Korzhakov is on his team." "He will support the president's policy; otherwise, he would not have been included on the president's team," Boris Yeltsin noted. [passage omitted]

Boris Yeltsin had his first meeting with Volgograd residents right at the airport. From there, the president headed toward Avenue of Glory in the town center.

Russia: Yeltsin Claims No 'Disagreements' With Korzhakov

LD0905182696 Moscow NTV in Russian 1500 GMT 9 May 96

[Video report by unidentified correspondent, including recorded comments by Russian President Boris Yeltsin, Former USSR President Mikhail Gorbachev, and Viktor Anpilov, leader of Working Russia, in Volgograd on 9 May; from the "Segodnya" newscast]

[FBIS Translated Text] While all the Victory Day events were taking place, President Boris Yeltsin managed to fly out of Moscow and arrive in Volgorad. Today's main festivities are now going on there.

[Correspondent, standing by war memorial; video then shows president's airplane landing, Yeltsin and wife emerging to warm welcome by girls in national dress] Boris Yeltsin set himself a difficult task today: To mark Victory Day simultaneously in two Hero Cities: Moscow and Volgograd. For the first time in post-war history a head of state has left the capital on this day.

The president's airplane landed in Volgograd at 1630, and although Boris Yeltsin's visit here lasted only a few hours, the president had quite a big and difficult schedule. The most important point, as in the president's recent trips in general, was to mix with people — with veterans. Therefore, Boris Yeltsin met journalists literally standing on the footboard of his limousine.

[Yeltsin, speaking across the door of his car into reporters' microphones] Well, I am in Moscow every year now. One needs to be at the parade in Moscow, one needs to be at the reception in Moscow, one needs to be in Moscow's Gorkiy Park with all the fairground rides. That is traditional. I am always there. I was there. I knocked about there and met many of the veterans. But one really must spend some time in Stalingrad on this day at the same time because, after all, two or three places decided the fate of the war back then.

[Correspondent] However, even today's big celebration could not screen out another important event: The election. Replying to journalists' questions prompted by the recent controversial interview given by Aleksandr Korzhakov, the head of presidential security, on the possibility of postponing the election, the president attempted to put things straight and have done with all the questions about the future of the election and General Korzhakov himself.

[Yeltsin, speaking loudly and angrily, over car door; video shows Korzhakov standing to the side, close to the camera, smiling at the references to himself] Why disagreements? If there were disagreements I would throw him out of his job immediately, right? And without any disagreements! What are these disagreements? He is in the president's security service and he is obliged to submit to and serve the president in every way, and he has no opinions of his own regarding different policy, right? He must do his own work and that is all. And that is that!

[Correspondent, video shows Gorbachev and Anpilov at wreath-laying ceremony] Meanwhile, the political life of Volgograd today was also dominated by the election. Presidential candidates Mikhail Gorbachev and Viktor Anpilov, the leader of Working Russia, decided to pass Victory Day in the city on the Volga at the same time as the president. The two met this morning when they laid wreaths at the monument on the Avenue of Heroes. Both handed out festive greetings without forgetting about their own electoral cares.

[Anpilov, grinning and patting small boy on shoulder as they watch parade] We will win with Anpilov! Everyone tells us that we only have children [chuckles].

[Gorbachev, standing in crowd] After all there was a time when you went the other way. I was shouting and yelling, but you were already for Yeltsin. Everyone went. Gorbachev gets the blame for everything. All the dregs who...[pauses] Alone! They accused me of standing for the Soviet Union because I wanted to keep living like an emperor. It is not the right time, the 9th is not the right time to talk about this.

[Correspondent, video shows war ruins/memorials around Volgograd] All the Moscow guests, including the president, turned up in the same place today, but it was the schedule of the president who today visited the memorial to the heroes of the Battle of Stalingrad on the Mamayev Mound, of course, that was most surrounded in festivity. Boris Yeltsin here met and veterans devoted a minute's silence in the pantheon to their glory to the memory of the dead defenders of Stalingrad.

Russia: Yeltsin Departs Volgograd for Akhtubinsk 9 May

LD0905204596 Moscow ITAR-TASS in English 2008 GMT 9 May 96

[By Sergey Trofimov, Andrey Shtorkh]

[FBIS Transcribed Text] VOLGOGRAD, May 9 (Itar-Tass) — Russian President Boris Yeltsin ended his visit to this city on Thursday evening with a declaration of love to the city and its residents. In his address to several hundred of thousands of the city residents who had gathered on the Volga embankment in the centre of the city, Boris Yeltsin declared that "as with love at first sight between a man and a woman, I have a similar feeling about Volgograd. I fell in love with this city at first glance."

"The Volgograd residents have a specific character. Either you know how to raise this sort of people, or some external elements were brought to effect the cross between breeds," Boris Yeltsin joked. "We owe the lowest bow to you for the battle of Stalingrad, you must have got a really special character to win such a battle," the President said. "I bow low to the fallen and I bow low to those who survived, and to their descendants for the tolerance they have shown during the years of reforms. It was a hard way to go for you. But I heard neither reproach, nor whining in the streets of Volgograd. On the contrary, the people here are disposed very friendly and warmly, though there were serious questions too. To solve some of them, I had to come down with money as the President, as the problems the city residents confronted me with are of great importance both for the city and the region."

Touching upon his visit to Volgograd on May 9, the President stressed that no Soviet or Russian leaders have left Moscow on that very day before, and, has never visited on that day Volgograd, and Mamayev Kurgan memorial in particular. "I decided to celebrate Victory Day both in Moscow and in Volgograd, and I believe that in future, if I win the presidential election in June, I will mark this holiday in Moscow and in some other city of Russia, where the great battles of the past war had been fought," the President said.

Commenting upon the forthcoming elections Boris Yeltsin expressed a hope that the residents of Volgograd will support him. "If elected for the second term, I plan to go on with the reforms, I intend to arrange for improving the well-being of each citizen, each family," Boris Yeltsin continued. The President bowed low to the city residents, to the memory of the fallen. "During my visit to your Mamayev Kurgan memorial I saw it with my own eyes, leave alone the movies and books, that no battle in the history of wars was more fierce than the battle of Stalingrad. I will never forget the hours I spent in Volgograd," he concluded.

Yeltsin's address was constantly interrupted with ovations and scansions [as received] "Yeltsin is a democrat". Accompanied by enthusiastic shouts, Boris Yeltsin went on board the Russia motor ship, which cast off the main moorage of Volgograd embankment at 21:00 on Thursday and headed for the city of Akhtubinsk in the Astrakhan region, where the Russian President intends to visit the central state polygon "Kapustin Yar" and to meet with the residents of the city.

Russia: Yeltsin Arrives in Akhtubinsk, Shares Impressions

LD1005101996 Moscow ITAR-TASS World Service in Russian 0825 GMT 10 May 96

[By ITAR-TASS special correspondents Andrey Shtorkh, Sergey Trofimov]

[FBIS Translated Text] Akhtubinsk (Astrakhan Region), 10 May (Itar-Tass) — The ship "Rossiya" with Russian Federation President Boris Yeltsin, his wife, and the delegation accompanying them moored at the quayside of the town of Akhtubinsk on the Volga today to the strains of the folksong "Volga, Volga, water from melted snow, we shall never forget our meeting with you."

The president only had 10 minutes before he had to board the helicopter for the flight to the "Kapustin Yar" testing ground, but he managed to talk to the residents of Akhtubinsk even in this short time. He shared with them his impressions of his visit to Volgograd and his overnight boat trip on the Volga.

Boris Yeltsin is very satisfied with his trip to the Lower Volga area. In particular, he sees that the reform process is causing many inhabitants of Volgograd and Akhtubinsk some difficulties, but they are not dejected and support the policy pursued by the president and government.

After Boris Yeltsin's motorcade left for the helipad, his wife Naina Yeltsina had to stay at the Akhtubinsk pier almost for another 30 minutes. The people of Akhtubinsk of all ages held an improvised rally, putting to Naina Yeltsina their most urgent questions: on the payment of wages and provision of compensation for deposits in the savings banks, on the development of privatization, and on health care and education reforms.

Naina Yeltsina did all she could to persuade the people that the main objective of the reforms was to improve the life of every Russian and every Russian family. Not everyone, of course, took that for granted: many, especially pensioners, said they had had a better life under the Communists. Others, however, mainly young people, disagreed with the older generation, and Naina Yeltsina found herself watching and listening to this lively debate.

The president will spend three hours getting acquainted with the Kapustin Yar test range and with the state-of-the-art military hardware being tested there. The president will give state awards to a group of prominent army servicemen. Then he will return by helicopter to Akhtubinsk, where he is scheduled to visit the Chkalov research institute, one of the Russian Federation's chief test bases for aircraft equipment.

Boris Yeltsin will hold a meeting with the people of Akhtubinsk on one of the town's central squares, Victory Square. After this, Boris Yeltsin will sail down the Volga on the MV Rossiya toward Astrakhan. This will not be just a pleasure cruise for him. He will hold a one-and-a-half hour working conference with the mayors of several major Russian cities who have come to Akhtubinsk especially to meet the president.

Russia: Yeltsin Addresses Personnel of Kapustin Yar Test Range

LD1005104296 Moscow ITAR-TASS World Service in Russian 0830 GMT 10 May 96

[By ITAR-TASS special correspondents Sergey Trofimov and Andrey Shtorzh]

[FBIS Translated Text] Znamensk, Astrakhan region, 10 May (Itar-Tass) — Russian President Boris Yeltsin addressed today the personnel of the central state test range Kapustin Yar, representatives of missile troops, veterans and people of the town of Znamensk. He said:

I am please to meet you on the eve of the celebration of a remarkable event — the 50th anniversary of the legendary Kapustin Yar test range. The history of the test range is the history of the creation of missile armaments and of space conquest. Strategic medium-range missiles, surface-to-air systems of air defense troops, and most of the new tactical and operational-tactical missile weapons have all been first tested here. It was here that first missile units were organized, and many unique research projects were carried out.

When talking about your test range I constantly use the words "for the first time." There is no doubt that these words apply to all the work that has been carried out here. The successful launching of single-stage ballistic missile was carried out for the first time from the "Kapustin Yar" test range. The first Russian-made missile complex was developed and tested here. The experimental high-altitude launching of rockets carrying animals and exploration of the upper layers of the atmosphere were carried out for the first time at the test range.

"Kapustin Yar" is not only a test range, but a Russian cosmodrome as well. An artificial earth satellite of the "Interkosmos" series was first launched and placed in a near-earth orbit from here. This launch was the beginning of international cooperation in exploring space.

All in all, over 100 missile complexes for use in all the branches of the armed forces were tested and put into service at "Kapustin Yar". Twenty-six types of space equipment were launched here. This is the result of the skill, persistence, and selfless devotion to the Fatherland of the personnel, workers, and staff of the test range.

And, of course, I wish to recall with particular warmth the rocket troop veterans and labor veterans. They performed their duty to the full. They created and handed on to the following generations of rocket troops a powerful base for our state's defensive might. They have also rendered a great service by creating the town of Znamensk, of which we may be proud. It really does look like an oasis in an area of steppes.

Honor and glory to our illustrious designers Sergey Pavlovich Korolev, Nikolay Alekseyevich Pilyugin, Valentin Petrovich Glushko, and Vladimir Pavlovich Barmin, the first commander of the test range, Colonel General Vasiliy Ivanovich Vaznyuk, and all the scientists, specialists and test engineers! Russia's nuclear-missile shield came into being through their creative enthusiasm, and it is thanks to them that military and strategic parity was achieved in the postwar world, and the threat of global warfare receded. It was a shield that they created, rather than a sword. But they always remembered the wise words of our great forebear Aleksandr Nevskiy: "Whoever comes to us with a sword in hand will die by the sword. The land of Russia has stood by this, and by this it will stand!"

At present the fourth state central test range is a multi-purpose base for testing and putting new rocket complexes into service and training military experts. It creates the conditions for ensuring strategic security and political stability in the modern world.

I feel sure that the commanders and personnel, workers, staff, scientists, designers and engineers at the testing ground will loyally perform their military and civilian duty in the future and bear the lofty title of missilemen with honor and dignity. Your inexhaustible belief in Russia, its enormous patriotic, moral, and spiritual potential, is a pledge of this. The assistance of the state, which is increasingly boosted by our joint efforts, is a pledge of this.

I drew up a decree on priority measures to support the Russian Federation's defence complex long ago. Now I have signed it, but the most important thing is that we can say it can be implemented. The debts for state defense orders will be met in full throughout May in accordance with the decree. This not only includes money owed for deliveries of weapons and military equipment, but also for scientific research and experimental design work. At the same time as debts are being repaid to the enterprises, the enterprises' repayment of tax arrears to the national budget and pension fund contributions will be deferred. Other measures are also envisaged. I feel sure that they will significantly revive the Russian defense complex.

Your motherland is proud of you. Your motherland is proud of the fourth state central test range and the "Kapustin Yar" cosmodrome.

Russia: Yeltsin's Withdrawal Seen as Key to Democrat Win

964F2088A Moscow NOVAYA GAZETA-PONEDELNIK in Russian 29 Apr 96 No 15, pp 1-2

[Article by Valeriy Pisigin: "Only Crows Unite Against a Scarecrow, Or Why the Democrats Are Ready To Surrender Democracy"]

[FBIS Translated Text] Valeriy Pisigin was born in Chelyabinsk in 1957. He graduated from Kazan University. Profession—historian. In 1982 he organized the Nikolay Bukharin Political Club—one of the first in the country. In 1992 he was member of the presidential council. President of the Society and Politics association.

On 23 March IZVESTIYA published an open letter to democratic leaders of Russia. Its authors are intellectuals from the provinces. "We Do Not Want To Return to the 'Bright Past'" is the letter's title.

Generally speaking, an intellectual from the provinces is not the same as a Muscovite with his "superiority" complex, spoiled, incapable of wonderment, and unable to perceive the reality of life. Of course, in the provinces the field of activities is not as broad; opportunities to get into the spotlight and achieve prominence are not that extensive; and one does not get the pleasure of publicly caring for the country as a whole; on the other hand, in the provinces, once one acquires a certain knowledge and achieves a certain position (or even without it), one can always say proudly: "Yes, we are from the provinces, but from this vantage point we can see better how provincial Russia lives and what its concerns are."

"Let us subdue, at least for the time being, personal or party ambitions. Let us stop getting intoxicated over the beauty of our programs. In the final analysis we all should have only one program today: keeping our ship afloat."

By and large, the substance of the letter boils down to an attempt to convince democratic leaders to set aside their ambitions and unite around one candidate for president of Russia—and, they are fully convinced, only B.N. Yeltsin and his team fit the bill.

Similar to their capital city counterparts, intellectuals from the provinces are wisely aware of what the current president is like:

"...Of course, this man is far from ideal. But is the country of which he has become president ideal? (Some argument!—V.P.) We, Russians, have to understand the tremendous complexity of our own way, and we know that this politician, speaking in man's terms, can take the blow. He may be the only one in this sense..."

Among the signatories are distinguished artists, teachers, academicians, corresponding members of science academies, jurists, doctors, a writer...

So, all democratic leaders are being asked to throw away their own ambitions and unite around Boris Yeltsin, who is the only person capable of standing up against Zyuganov. Everything seems to be correct and logical, but only at first glance. You see, what stands in the way of such unification is not someone's ambitions but quite justified doubts in what we all, including democratic leaders, are being persistently told time and time again—namely, that Boris Yeltsin is capable of implementing reforms in the country and successfully standing up to the Communists in the upcoming presidential elections.

These doubts are based on the following:

—it was Yeltsin who failed to create a new, full-fledged Russian statehood, limiting it to a sham separation of branches, which are fighting for the umpteenth time now not a for separation and combination of authority but for unlimited possession of it; by his economic policy and preservation of the system of state monopolism, Yeltsin reanimated old authoritarian institutes of authority and made democratic procedures ineffective;

—Yeltsin is the commander in chief of a military that is conducting military action of unprecedented cruelty on the territory of its own country against its own people; such a punitive task is demoralizing the military and destroying it from within, at the same time creating dangerous militaristic syndromes in the society;

—it is this president, who, by his policy, has brought the country to face the real threat of a communist revanche, since the unresolved problems of millions of people, poverty, and superfluity beget communist illusions among them and the temptation to implement them in reality;

—Yeltsin's health will not allow him to fully carry out his duties as president in the next five years, which is impermissible in a country facing such large-scale internal and external tasks.

Sociological surveys prove that in the event he makes it to the presidential election runoff, Yeltsin unquestionably loses to Zyuganov, whose participation in the runoff is assured. And this is already a different kind of factor. Even Boris Nikolayevich's most fervent admirers should not discount this, not to mention those who hold dear the thing called democracy.

Of course, there are still two months until the elections, and the candidates' activism will have an effect. But the current analysis, taking into account the high inertia and resistance of the public conscience, as well as keeping it in mind that power structures conduct election campaigns no better than military ones, makes one doubt that Yeltsin will manage to cardinally change the situation and literally turn around the social psychology of his tired and embittered compatriots during the remaining time frame.

Now let us return to the part of the intelligentsia who in their apocalyptic remarks and chants demand (this is precisely what they write in the appeal—"We demand!") that we throw away ambitions and unite around Yeltsin. What is it that drives them and what factors do they take into account—except, of course, the funny argument regarding the capability to "take the blow," as if we were talking not about the head of the county at a critical time but a run-of-the-mill boxer?

What in general compels intelligent and honest, generally speaking, people (and we mean not just the signatories from the provinces), to whom society probably listens, to act counter to the principles they themselves have so often proclaimed in the past? Why were they possessed by such a humiliating idea of choosing "the lesser of evils;" why are they not ashamed to support the current "party of power;" why do they not believe that the people of Russia are capable of choosing their destiny on their own?

Why do they not bother to give a thought to tomorrow, not just today? Why are they incapable of looking into their own history and preventing a repeat once again of the fateful mistakes? Why do they not listen to the warnings others are sounding? After all, even the eternal opponents—Gaydar and Yavlinskiy—agree on this point, saying that Yeltsin's nomination is a losing option for supporters of democracy.

Here is why, I think.

These worthy people, alas, are still slaves, despite being part of the intelligentsia. They are simply not ready for democracy and are counting more not on democratic procedures, which elections are, but on the strength of a force from higher-up. For them, Yeltsin is only a trivial gendarme, a scarecrow against the presumptuous flock of communist crows. Never mind that he is spooky, boorish, and whimsical—as long as he scares them off.

Let us not pretend. They see in Yeltsin a man capable of defeating the Communists by the force of authority rather than by means of peaceful elections. What makes many worthy people tilt toward him and fall at his feet is the humiliating "understanding" that in the end Yeltsin will bring in the military, state security, his friend General Korzhakov, after all, and disperse all this Zyuganovite-Anpilovite scum. For this, he is forgiven a great deal. He is forgiven everything and will be forgiven even more. Aware of this, Yeltsin behaves in a way fitting for the treatment of one's slaves: that is, does as he pleases.

He openly humiliates the democrats: Having chased them out of power and quasi-power structures, he then says about them, with a smirk of contempt (in the presence of the smiling president of Belarus!): "They have no place to go—they will come back;" he behaves defiantly towards supporters of stopping the mass murder in Chechnya and publicly spits on the millions of signatures collected against the war, while showering Chechnya's chief executioners with favors: He makes Yegorov his chief of staff and kisses Grachev and decorates him with a medal with his likeness (!); he speaks of being ready to conduct peace negotiations in Chechnya, and right after that orders missile and bombing strikes against Chechen cities and villages; he has a fit in the State Duma because it elected the Communist Seleznev as its speaker, and himself several days later pushes Stroyev, a Communist and member of the CPSU Central Committee Politburo, into the post of Federation Council speaker; he has an even greater fit over the agreement on the State Duma's denunciation of the Belovezhskaya Accords, and himself several days later strikes a deal with the president of Belarus to sign a new Union treaty; he scares businessmen with impending nationalization in the event of Zyuganov's victory, while in the bowels of his executive structures a law on nationalization is being prepared; and finally, in Norway, during an official visit, Yeltsin permitted himself to say—maybe in jest, or maybe seriously: "I am above the courts!"

In a state of truly animal fear from the threat of a communist revanche, our intelligentsia refuses to see that such revanche is already underway, and moreover, has already been accomplished. But this is not a communist revanche—it is a nomenklatura, bureaucratic revanche; it is a revanche of imperial state interests over individual private interests. Together with President Yeltsin's victory in the 16 June elections (if it indeed happens), the authoritarian Russian imperial state, which is being reanimated with his help and in his persona, will be reaffirmed. In its actions, it will be free and at liberty with respect to anybody whatsoever, from such a rudiment as a useless parliament to a provincial newspaper. Such a development has its own logic and its own strict laws, which will make us remember many times over the notorious thesis about the "lesser of two evils."

A communist revanche is indeed dangerous. Suffice it to imagine General Makashov in the role of minister of defense, Varennikov in the job of KGB chairman, and Anpilov in charge of television. Other, no less colorful, figures will appear on the scene, "dying to put their two cents' worth" in the fertile political soil. I have no doubt that such revanche will be accompanied by revenge against the current authority and those who assisted in establishing it. In fact, this revenge by itself will be the No. 1 point in the Communists' political program. They simply do not have anything else other than violence, which means that the Communists' policy is too obvious to ever materialize in real power.

People know this; they see and understand it, and it is they, the citizens of Russia, who will reject the communist revanche and will not let it happen under any circumstances. Most people in our country are against violence and war, poverty and ignorance, against banning freedom of speech; they do not want to be deprived of the ability to move freely around the country and the world. It is the people of Russia, in free and honest elections, and not Yeltsin's enforcers, who are the guarantee against revanche and a true shield for the future Russian democracy.

All sociological polls indicate that the aggregate share of supporters of a normal, democratic development of society is greater than the proportion of communist supporters. We can say that the party of the Communists and Zyuganov is a party of the minority. Its success is predetermined in only one instance—if Yeltsin does not abdicate authority in favor of a new democratic leader and runs in the presidential elections.

The Soviet formal intellectual entertains the illusion that Yavlinskiy, Gaydar, and Sv. Fedorov can make their supporters vote for a united candidate from the democratic forces—Boris Yeltsin. People who call themselves supporters of democracy in Russia are not a herd and not a pack obeying a mature leader. They will rather choose not to vote at all than agree to a humiliating and dangerous choice, because the worst part is the responsibility that will fall on everyone who opens up the road to power for Zyuganov or slavishly assists the developing authoritarian regime headed by Boris Yeltsin.

It is about this that we want to warn the citizens of Russia, our public—including provincial—with less than two months to go before the presidential elections in Russia.

Russia: Zyuganov Pledges To Prevent Political Persecution

LD0905161296 Moscow INTERFAX in English 1534 GMT 9 May 96

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax) — If the Communist Party of Russia (KPRF) wins the presidential elections, it will guarantee the freedom of speech, provide social guarantees and prevent persecution of the current political leadership, KPRF leader Gennadiy Zyuganov told an opposition rally on the Lubyanka square of Moscow Thursday.

The Moscow police estimated the number of attendants at 30,000 to 50,000.

"The Communists are facing a hard victory, even harder than the 1945 victory over Nazism," Zyuganov said. "Then, the nation was united, society was not divided into the poor and the rich, into new Russians and old Russians."

"We will stand, because now all opposition forces have united," he said. "The popular patriotic bloc includes over 200 Communist and patriotic organizations, we have Russia's farmers, youth and students supporting us."

The KPRF will publish its anti-crisis economic program in late May, Zyuganov said.

"Now some voices are being heard, calling for putting off the presidential elections, but we will stand by the people's sacred right to elect," he said.

Other opposition leaders, including Derzhava leader Aleksandr Rutskoy, Officers' Union Chairman Stanislav Terekhov and Agrarian Party leader Mikhail Lapshin, also attended the rally.

The rally organizers said over 500,000 people had taken part in the activity.

Russia: December 1995 Elections Seen as Guide for 16 June

964F2073A Moscow SEGODNYA in Russian 25 Apr 96 p 3

[Article by Dmitriy Badovskiy: "The 17 December Elections as Presidential Primaries: Regional Resources of the 'Power Party'"]

[FBIS Translated Text] The 17 December elections in the regions were primarily an "evaluation vote," when the constituents essentially elected no one, merely made an evaluation of what had been done. In this sense the "power party's" biggest mistake was the fact that the generals, as always, had made preparations to fight the last war. The electoral situation of 1995 differed greatly from past elections. Entirely new issues, which were immediately "privatized" by the opposition, had come to the forefront of politics. The endeavor of the NDR [Russia Is Our Home] to wrest the initiative from it, however, was belated. In addition—and this is, perhaps, the main point—the authorities were unable to explain themselves either to the voters or to the regional elites.

Eighty-nine Constituents

It was the regions that voted on 17 December. The particular significance of the regional structure of electoral preferences for this political force or candidate or the other is determined, specifically, by the fact that each region today represents a particular and, at times, exclusive territorial political and economic system. By virtue of this, any component of the Russian Federation is a highly specific electoral and mobilization entity.

Elections thus represent a kind of "procedure of discovery" of a region, affording the public consciousness at times a simply unique opportunity to see and evaluate the "inner life" of each of the 89 "summary constituents."

For the participants in the elections this primarily means a need to organize an entirely particular system of relations with each region. It is perfectly clear that no one party today is capable of garnering an absolute majority of votes. The 53 percent obtained by the Communists in Kemerovo is merely the exception proving the rule. This is more a victory for "Tuleyev's party" than "Zyuganov's party." Illustrating, incidentally, the idea that without the support of regional structures and politicians and without regard to the alignment of forces in a specific region there can today be no expectation of serious success.

Confirmation of this are the regional singularities of the vote by single-mandate constituency. The Power to the People! bloc, for example, managed to get three candidates in Krasnodar Kray elected simultaneously. The KRO [Congress of Russian Communities] won three seats in Chelyabinsk Oblast. The so impressive successes of these electoral associations in these regions were a direct consequence of electoral strategy, the essence of which is the conclusion of the appropriate campaign agreements with political structures of the regional level. Thus the Krasnodar Oblast Fatherland movement is a founder of the Power to the People! movement. The movement obtained a further two seats in Sergey Baburin's native Omsk Oblast. And the KRO's victory in Chelyabinsk Oblast had to do directly with the fact that the "congressmen" had gambled on the oblast For the Revival of the Urals movement (the creation of the influential local leader Petr Sumin, former first secretary of the oblast CPSU committee). As a result the KRO was successful in the oblast in the voting by party slate also, obtaining more than 7 percent of the vote. The vote for the Communists, on the other hand, was always primarily a vote for the party and the idea, not for a specific leader. For this reason the Communists also primarily won the support of popular local politicians and broad local coalitions of a left persuasion.

As distinct from the opposition, the government party had little success in the regions. The NDR's failure had to do primarily with the preservation of the general mindset of the "power party" almost exclusively toward cooperation with the local ruling elites. The electoral strategy of "bureaucratic mobilization" was reproduced, perhaps, even more distinctly than in 1993 and produced, nonetheless, a substantially lesser result. This was connected with at least two circumstances. First, despite all the efforts of the NDR (primarily the movement's leader), Our Home was simply unable to more or less consistently and thoroughly break through into the domain of "public policy." The greatest and virtually the sole success in this sphere was achieved in Moscow, whereas in 1993 the "democratic image" and publicity were very effectively secured by Yegor Gaydar.

On the other hand, in December 1995, as two years previously also, the "power party" was unable to really secure for itself the support of the regional elites. In 1993 this had to do primarily with the singularities of the post-October political situation. The "blurred nature of power" or, in some cases, simply the opposition character of the local elites in relation to the Moscow reformers combined with the center's attempts to realize after October 1993 a power scenario in the relationship with the regions not only reduced to nothing the "space for accords" but frequently simply meant an absence at the local level of "pact-capable" political subjects. Almost exclusively only in the national republics was it possible to speak about the controllability of the regional political process. But the unsettled nature of federative relations seriously limited the possibilities of dialogue with the national leaders, up to and including a boycott of the elections (Tataria).

Two years later, despite the cardinal changes both in intra-regional policy and in the "regions-center" relationship system, the result for the "power party" was even more dismal. It is sufficient to say that in 1995 the NDR was unable to hold on to its advantage in the single-mandate constituencies. The support for the movement on the part of local leaders was frequently of a formal nature. Some of them, for example, were preoccupied with questions of their own reelection at gubernatorial elections. On the other hand, it was not entirely clear who at the elections would be the "Kremlin candidate." Under these conditions, loyalty to the government and to Chernomyrdin personally could have boomeranged, and the "roof of the Home" was not entirely reliable, of course. But aside from such "lofty" political considerations, the regionals were motivated by wholly material interests also. That in the sphere of economic relationships with the center the "opposition regions" were the winners following the 1993 elections is a perfectly well-known fact. Elementary logic suggested to many regional leaders that nothing prevented a repetition of this maneuver one more time. In any event, bargaining yet again with the government before presidential elections on this occasion would be tempting and very useful.

The regional elites preferred also to support at the elections several electoral associations simultaneously. An entirely understandable interest—the regional authorities are interested most in the representation of local interests. And who would do this was a secondary issue. The NDR's failure in the single-mandate constituencies also is directly linked with this.

The main thing, however, which determines the nature of the relationship of the federal elite, the "power party," and the regional ruling class is the corporate nature of contemporary Russian politics. But despite all the mutual benefits of such a state of affairs, the "rules of the game," which are determined by the system, not only afford an opportunity but also simply make essential for the regional elites the use of elections as a resource of pressure on the center and the federal "power party." Defense of the "interests of the region" and the "solution of questions" as the most significant versions of the behavior of the local authorities allow not only of corporate cooperation with the central political elite (which would presuppose support for the government party at the elections) but also other strategies of political behavior in a period of elections.

The most obvious version of alternative actions—explicit support for other political forces and groupings—acquires additional attractiveness if we consider correct the proposition concerning the genetic kinship and, sometimes, the personal identity of the present and former political elites. This assertion is not without foundation, at least, and at the regional level is frequently perfectly obvious. The CPRF, for example, may primarily in this sense be regarded as a system party.

But even if this is the case, the rules of the political game which we are considering still do not permit such unconcealed and clearly expressed "moves" and, consequently, dictate the need to adhere to "system standards," particularly under the conditions of political uncertainty on the threshold of the presidential elections, when the degree of political risk grows substantially, and the threshold of "permissible actions" for the local authorities is, accordingly, lowered.

It is essential to take account also of one further important circumstance here. The "discovery of a region" occurring in the course of elections could appear, as a result, in the form of at least one of two entirely different "pictures." One would be a picture designed as a result of the actions of the local elite specially for showing to the center, and the other would demonstrate the real political frame of mind in the region and would be generated without any interference of the "power artist."

The paradox of the current political situation is that in many instances it is far more advantageous to the local authorities not to interfere in the procedure of the people's say, at the stage of parliamentary elections, in any event. Aside from the fact that such political behavior is in the broad sense of this word cheaper, the actual regional socioeconomic background makes such a strategy even more effective at times. The utmost outward depoliticization of the authorities enables the regional ruling class not only to blend to effect with the image of "business manager" but also to switch the potential of public malaise to the federal level, if only according to the "plague on both your houses" principle, but by no means to just one.

It is thus that the "corporate noninterference" strategy, which was so strikingly demonstrated by many regional leaders last December, was born.

Stock-Taking of Resources

The NDR's December result serves today as the most general reference point for the "power party" on the eve of the presidential elections. But paramount significance is attached not so much to the quantity of resources as to their efficient "investment." Some essential conclusions for this task may be drawn from an analysis of the regional structure of the electoral possibilities of the various political forces which took part in the 17 December elections.

A region's "potential electoral weight" represents the ratio of the constituents who reside on the given territory to the total number of constituents in Russia. The following 10 regions are potentially the most significant on a Russia scale (the percentage of total Russian constituents residing on the given territory is given in parenthesis): Moscow (6.53); Moscow Oblast (5.12); Krasnodar Kray (3.52); St. Petersburg (3.46); Sverdlovsk Oblast (3.17); Rostov Oblast (3.03); Nizhegorod Oblast (2.62); Tatarstan (2.47); Chelyabinsk Oblast (2.46).

The sum total of constituents on these territories constitutes 35.03 percent, that is, these regions accumulate a little more than one-third of all Russian constituents.

A comparison of the above data with the structure of the regional electoral preferences of the NDR leads to interesting conclusions. We similarly distinguish the 10 most significant regions for the movement (we take all the votes obtained by the movement as 100 percent, then the figure in parenthesis after the region's name being the percentage of votes obtained by the movement in this region in relation to the total number of the movement's votes). We obtain the following results:

Moscow (11.98); Moscow Oblast (6.83); Tataria (6.42); Bashkiria (4.55); St. Petersburg (4.1); Nizhegorod Oblast (2.65); Samara Oblast (2.63); Krasnodar Kray (2.22); Sverdlovsk Oblast (2.15); Chechnya (2.09).

One notices primarily the fact that in its top 10 regions the NDR obtained 45.62 percent of its vote. This indicator is considerably higher than the potential weight of the top 10 Russian regions. On the other hand, parties and movements of a communist persuasion amass in "their" top 10 regions 31.91 percent of the vote, and parties and movements of a national-patriotic persuasion, 31.14 percent.

These figures demonstrate the more appreciable dependence of the NDR on several key regions than is the case with the Communists and national-patriots, and it is, furthermore, appreciably higher than the "potential dependence" (a comparison with the potential weight of the regions). This conclusion is borne out by other indicators also. For example, the correlation of the potential and actual significant regions for the NDR constitutes 0.8 (of the 10 potentially significant regions, there are in the top 10 for the NDR eight regions). The analogous value for the Communists and national-patriots is 0.6.

The dynamics of a relative increase in the vote of the "power party" compared with analogous data of its main competitors may be viewed from the same angle. Thus 50 percent of all Russian constituents reside in the 18 most electorally ponderable components of the Russian Federation, and 75 percent, in, accordingly, 38. Such political associations, for example, as the CPRF, the LDPR, and Yabloko require in order to obtain half and three-fourths of "their" vote approximately the same number of regions. Thus their indicators are precisely accommodated within the logic of "normal distribution" predetermined by the numbers of constituents in components of the Russian Federation, the "potential weight of the regions," that is. For the NDR, on the other hand, the corresponding figures are appreciably lower (12 and 31 regions respectively). Such narrowness of the regional base of the "power party" does not, for that matter, appear as something horrifying against the background of the even more expressive indicators of the majority of parties of the so-called "democratic flank." A typical example is the DVR [Russia's Democratic Choice], which collects 50 percent of its vote in only seven regions.

Upon a more detailed study of the electoral resources of the NDR, one notices also the elevated ranking of Tataria and Bashkiria in the structure of regional voting (eighth and ninth of the 10 potential regions; third and fourth in the regional 10 of the NDR). Analogously, Krasnodar Kray (third and eighth) and Sverdlovsk Oblast (fifth and ninth) have a lowered ranking for the NDR. Rostov Oblast and Chelyabinsk Oblast simply did not figure in the 10 regions significant for the NDR, positioned 16th and 11th respectively. They were replaced by Samara Oblast and Chechnya. Not only the ranking but also the percentage vote in the overall voting structure constituted, accordingly, for the NDR the elevated weight of the regions here.

Thus the most obvious version of the regional strategy of the activity of the "power party" is one of "strong-holds" and a "localized attack," granted the evidence of the "special case" of Chechnya.

For Moscow, Moscow Oblast, Tataria, Bashkiria, and Samara Oblast this means retention and development of the success that was achieved. But such possibilities are obviously connected primarily with support on the part of the local elites. Nonetheless, it is essential to take as the reference point not only the maintenance of the system of relationships with the local elites (such tactics, as we have already shown, are not always effective and could under certain conditions result in failure) but also to aspire to an increase in its influence in these regions thanks to the maximum use of the results of the 1995 elections in these components. It could be a question of the introduction in the public consciousness in the given region of the "victorious party" image with a promise to "justify the trust" and "help the region." It is also possible to attempt to unite around the local NDR branch various political groups of a democratic persuasion, making use, included, of the proposition concerning the democratic elections as "primaries" of a sort, on the basis of which it is the NDR on the given territory which has the moral right and realistic possibilities for the unification of the "democrats." For example, the dissenting opinion of the Moscow and certain other organizations of the Democratic Party of Russia at the DPR [Democratic Party of Russia] Congress (the motion concerning support at the coming elections not for Lebed but Yeltsin) could be presented in this key.

On the other hand, it is essential to concentrate on work with the potentially ponderable regions which in the case of the NDR either have a lower ranking in the 10 or are simply not a part of them at all. We are talking primarily about Sverdlovsk, Rostov, and Chelyabinsk Oblasts and Krasnodar Kray. It is essential to bear in mind here cooperation with the parties and movements of the center and the democratic flank which scored a relatively big success in these regions (that is, these parties and movements mustered a larger relative percent of their vote in the given region than in others; and also in the regional structure of the voting for these parties and movements the regions in question were part of the 10, having a high ranking). Such an approach makes it possible to reveal primarily the organizational and mobilization structures whose work was highly effective in the given regions at the past elections:

Sverdlovsk Oblast—Transformation of the Fatherland, the Economic Freedom Party, Pamfilova-Gurov-Lysenko, Kedr (environmental topics as a whole)

Chelyabinsk Oblast—Kedr, DVR-United Democrats, 89 Regions, Association of Lawyers of Russia, Women of Russia, the Economic Freedom Party, NUR

Rostov Oblast—Party of Russian Unity and Accord, Russian National Movement

Krasnodar Kray—89 Regions, Worker Self-Government Party

Cooperation (campaign organization and mobilization of the population) with parties of the democratic flank could be highly effective also in Perm Oblast and Dagestan, which are among the 10 most significant for this group of parties. We are talking primarily about the DVR in Dagestan (antiwar campaigning, protest against the war in Chechnya, popularity of the leaders) and about Forward, Russia! in Perm. The high ranking of the significance of Dagestan in the voting structure for the Transformation of the Fatherland is noticeable also (Rossel's supporters entirely expectedly garnered 65 percent their votes in Sverdlovsk Oblast; a further 2-3 percent in neighboring Urals oblasts; but Dagestan is in second place in terms of significance, bringing Transformation of the Fatherland more than 6 percent of the vote).

It is obvious that the possibilities of a "growth of influence via cooperation" which we have considered are most limited in Krasnodar Kray and also in Rostov Oblast, which have high rankings in the 10 regions that voted for the national-patriots and the Communists.

Thus it is essential in these regions to concentrate campaign efforts aimed at overcoming the negative attitude toward the "power party" and, on the other hand, at criticism of opponents, taking account of local economic and political specifics. Bashkiria, Nizhegorod Oblast, Moscow, and Moscow Oblast also pertain to such "competitive regions" (a high ranking in the structure of the regional vote for the NDR and its opponents). Obviously, this is largely simply owing to the high potential significance of these regions. But it emphasizes yet again the need for special attention to be paid to them. In Bashkiria here it is a question primarily of opposition to the pro-communist forces, specifically the agrarians. Seizing the initiative on agrarian issues could improve the situation considerably. In Krasnodar Kray, on the other hand, it is essential first and foremost to take account of the high degree of influence of the national-patriots (Krasnodar Kray is in first place among the regions most significant for parties of a national-patriotic persuasion).

One further group of regions is noncompetitive: The "power party's" positions are weak, and at the same time these territories are among the 10 most significant for its opponents.

For the pro-communist forces these are Kemerovo Oblast, Altay Kray, and Saratov and Voronezh Oblasts.

For the national-patriots, Stavropol and Krasnoyarsk Krays, Novosibirsk Oblast, and Voronezh.

It is these regions that should be the priority targets of the localized attack. It should in this case be a question not so much of a growth of the influence of the "power party" even as of the need to halt the unfavorable trends in the development of the intra-regional political and electoral situation (for which there is undoubtedly a serious socioeconomic and ideological basis) and to halt and block the success of the main competitors.

*Russia: Results of Nation-Wide Election Poll Analyzed

964F2028A Moscow NEZAVISIMAYA GAZETA in Russian 24 Apr 96 pp 1-2

[Survey analysis by Mikhail Konstantinovich Gorshkov, general director of the Russian Independent Institute for Social and Nationality Problems and academician of the Academy of Political Science: "Gennadiy Zyuganov and Boris Yeltsin Are Consolidating Their Positions—But the President Has Better Chances of Mobilizing New Segments of Voters"]

[FBIS Translated Text] A comparative analysis of the results of three representative Russia-wide surveys of the populace conducted by the Russian Independent Institute for Social and National Problems in mid-February, mid-March, and mid-April, i.e., four, three, and two months prior to the presidential election (for the two preceding surveys see NEZAVISIMAYA GAZETA issues of 6 March 96 and 28 March 96), reveals a curious trend in the changing pre-election situation in Russia. Like the first two, the third survey was conducted in the 15 main territorial-economic regions of the country (according to the Russian Federation State Committee on Statistics) and encompassed 2,200 individuals representative of the country's main social and occupational groups.

Leaders Break Away

The voting activity of the populace continues to be fairly high. Two months prior to election day, some 77.7 percent of the voters express an interest in participating (in February-March the interest level was 73-75 percent).

A comparative analysis of the data enables us to see a certain stability in the projected voting participation of men and women, and that of the representatives of various age groups as well. In this regard, the voting activity of people in the 50-60 age group and over continues to be 13-15 percent higher than that of young people under age 30.

As compared with the February data, we note an increase in numbers of people desiring to vote in the presidential election among workers in trade, consumer services, transportation, and communications (by 13 percent), among military servicemen and Ministry of Internal Affairs personnel (by 11 percent), among office workers, housewives, and the unemployed (by 10 percent), and among students at institutions of higher education (by 9 percent).

Special calculations based on adjustment coefficients enable us to predict a fairly high voter turnout on 16 June—within the limits of 68-70 percent.

What is it that changed from mid-February through mid-April in the political sympathies of voters? And how are these sympathies distributed two months prior to the election? Survey results provide the following data calculated on the basis of numbers of people intending to vote.

Dynamics of Voter Preference Among People Prepared To Vote for One of the Candidates for Russian Federation President

Candidate for Russian Federation President	Votes (percentage)		
	As of 16 Feb 96	As of 16 Mar 96	As of 16 Apr 96
1. M. Gorbachev	1.2	1.2	1.1
2. B. Yeltsin	10.0	17.0	23.8
3. V. Zhirinovskiy	8.8	8.1	8.5
4. G. Zyuganov	16.4	25.8	28.0
5. A. Lebed	10.4	7.8	10.3
6. Sv. Fedorov	5.9	7.6	6.7
7. G. Yavlinskiy	12.9	13.2	12.7

We can see that Gennadiy Zyuganov and Boris Yeltsin have consolidated their advantage, emerging as the clear front-runners in the "presidential race" and holding an impressive lead over other candidates. In this regard, the current Russian president turned out by mid-April to be ahead of everyone in the rate of amassing supporters, having collected almost 14 percent of the potential votes in two months and closing the gap between himself and the CPRF [Russian Federation Communist Party] leader to 4.2 percent (in mid-March it was 8.8 percent).

The data presented in the table show that fluctuations in the standings of Yavlinskiy, Lebed, Zhirinovskiy, and Sv. Fedorov from February through April were entirely insignificant. This means that Yeltsin and Zyuganov have to date been winning points primarily by virtue of their own and the free electoral base.

If we attempt to draw an average portrait of the segment of the population that has provided the weightiest increment in number of supporters of the current Russian Federation president and of the CPRF leader, we reach the following conclusions.

For Boris Yeltsin, this support is coming from men and women under age 30, students, representatives of the technical and engineering intelligentsia, liberal arts and creative intelligentsia, office workers, military servicemen, and entrepreneurs residing in the major cities and oblast centers.

For Gennadiy Zyuganov, support is coming from men and women in the 41-60 age group, representatives of the technical and engineering intelligentsia, military servicemen, agricultural workers, pensioners, and people residing in the major cities, rayon centers, villages, and settlements.

One of the key questions in the preelection situation is degree of stability of the electorate in its support of the main contenders for the presidential office.

The most consistent voters turn out to be supporters of Yeltsin and Zyuganov. Some 90.7 percent of the electorate supporting the former and 88.5 percent of the electorate supporting the latter do not even consider the possibility that they would vote for another candidate on 16 June. Supporters of Yavlinskiy and Zhirinovskiy are also distinguishable by virtue of their relative stability in this regard. Some 80 percent of the supporters of each intended to hold fast to their candidate through the June election.

With respect to Lebed and Sv. Fedorov, however, only 70 percent of their current supporters are so inclined, while for Gorbachev, this figure is 66 percent.

Without any doubt, a great many factors influence the stability or volatility of voter conduct. One of these—a very important one, in fact—is the degree of confidence in victory of the candidate being supported. Only three candidates can boast a fairly high degree of such confidence within their electorate—B. Yeltsin, G. Zyuganov, and V. Zhirinovskiy. Some 96 percent of the supporters of the Russian Federation president, 93 percent of the supporters of the CPRF leader, and 80 percent of the supporters of the Liberal Democratic Party of Russia leader have no doubts that their candidate will emerge victorious in the upcoming election. While only 42 percent of the electorate of G. Yavlinskiy have no doubts as to his victory. For A. Lebed this figure is 52 percent, for Sv. Fedorov—29 percent.

How Points Are Being Won

How and to whose benefit, in the opinion of the electorate, the most notable events and measures occurring from mid-March through mid-April have influenced people can be seen from data presented in the following table.

Influence Exerted on the Electorate by a Number of Political Measures and Events (in percent)

Political event or measure	Influence in favor of B. Yeltsin	Influence in favor of G. Zyuganov
Duma Decree on Revision of the Belovezhskaya Accords	15.0	20.6
Program for settlement of the crisis in Chechnya announced by B. Yeltsin	25.3	8.9
Quadripartite treaty on intensified integration of Russia, Belarus, Kazakhstan, and Kyrgyzstan	26.4	7.6
Formation of the Russia-Belarus Association	28.5	7.3

Political event or measure	Influence in favor of B. Yeltsin	Influence in favor of G. Zyuganov
Edict of the Russian Federation President on Exercise of the Constitutional Rights of Citizens to Land	26.8	8.1
Edict of the Russian Federation President on Development of the Federal Special-Purpose Program "Your Own Home"	30.4	3.5
Measures of the central authority to pay off wage indebtedness	37.7	5.4

We cannot help but focus attention on the fact that a fairly significant portion of the populace remains indifferent to the measures and events here presented or knows little at all about them. This could be the result of poor information, poor explanatory effort, or due to the fact that other problems are more critically disturbing to many people. Then again, it could be something else—a lack of desire by a segment of the populace to "accept" these events and measures from the current figure of authority.

While the current president has broad opportunities to influence the electorate within the framework of execution of his official functions, what do other candidates have at their disposal in this regard? Those who are deputies, especially those who lead deputy factions, may take advantage of legislative initiative, of course. Such efforts entail a good many problems, however, and far from always yield the desired effect. There exist opportunities within the framework of election campaigning that contenders for the office of president are beginning to use more intensively—from traditional meetings with the voters, promulgation of program objectives, television debates, and criticism of rivals, to creation of an image attractive to one's potential electorate and a whole host of political surprises.

Let us say that the candidates who belong to the so-called third force—G. Yavlinskiy, A. Lebed, and Sv. Fedorov (with the possible participation of M. Gorbachev)—develop a plan for the establishment of their own coalition which, according to their design, should constitute an obstacle in the path to the presidency of B. Yeltsin and G. Zyuganov.

Is the attainment of such an objective realistic? Hardly. First of all because the "third-forcers" are clearly late in pursuing this idea. The lead of each of the two main contenders over them is already virtually insurmountable, given the time remaining until the election. Secondly, as the surveys show, these candidates lack the necessary electoral support to accomplish their objective (at least as of April).

It would seem that if we total up the standings of the possible participants in such a coalition, we get a very favorable index for the first round—somewhere on the order of 30 percent. This index collapses, however, as soon as certain participants in this coalition find it necessary to leave "the game" in favor of someone else.

Thus, special estimates indicate that if the "third force" relies on G. Yavlinskiy (who holds the best standing among his political companions as of April), and A. Lebed and Sv. Fedorov withdraw their candidacies in his favor, Yavlinskiy can then count on 18-20 percent of the votes in the best case scenario. We can readily see that this index lags behind the April ratings of B. Yeltsin and G. Zyuganov. The differences become even greater if the "third force" places its trust in A. Lebed or Sv. Fedorov.

Can We Predict?

What might be the results of the voting on 16 June? The prediction of the Russian Independent Institute for Social and Nationality Problems, calculated on the basis of two mathematical methods, shows that the main candidates for president might receive the following percentages of the vote: G. Zyuganov—30 percent; B. Yeltsin—28 percent; G. Yavlinskiy—11 percent; V. Zhirinovskiy—9 percent; A. Lebed—8 percent; Sv. Fedorov—5 percent; M. Gorbachev—2 percent.

The time remaining until the election—the stage promising to be the most intense and critical segment of the pre-election campaign—may introduce certain corrections to the prediction. For example, the political tightrope-walking of V. Zhirinovskiy may once again turn out to hold greater determinant capacities than the formal logic of forecasting. In that case, according to our assessment, he will gather 11-13 percent of the votes and either pull alongside G. Yavlinskiy or overtake him.

No matter how we assess the candidates' chances in the 16 June voting, it is already clear that this presidential election will not be limited to a single round. A second round of voting is inevitable. And we can be almost certain as to who will participate. All the same, we present here a broader picture (mindful of possible political surprises) of the composition of possible pairs of contenders, along with data from the February survey for comparison purposes.

Likely Variants of Voter Behavior in a Second Round of Voting

Contender pairs	Percentage that would vote in favor		Percentage that would vote against both candidates	
	As of 16 Feb 96	As of 16 Apr 96	As of 16 Feb 96	As of 16 Apr 96
B. Yeltsin	25.2	31.7	36.3	20.8
G. Zyuganov	32.3	36.5		
B. Yeltsin	20.1	26.8	37.1	30.1
G. Yavlinskiy	35.2	28.0		
G. Zyuganov	29.2	36.0	31.4	20.3
G. Yavlinskiy	34.2	31.0		
B. Yeltsin	28.5	34.0	49.0	41.2
V. Zhirinovskiy	13.9	13.9		
G. Zyuganov	33.6	37.2	47.1	41.2
V. Zhirinovskiy	11.2	11.2		
G. Yavlinskiy	42.0	38.3	36.8	34.1
V. Zhirinovskiy	13.2	13.4		
B. Yeltsin	24.2	30.0	38.7	25.8
A. Lebed	28.1	29.0		
G. Zyuganov	29.3	35.4	38.7	27.1
A. Lebed	24.9	24.8		

As the comparative analysis shows, both G. Zyuganov and B. Yeltsin have reinforced their positions appreciably over the two-month period in all pair groupings with the main contenders. As far as G. Yavlinskiy is concerned, his chances were quite decent as recently as February in the event of a second round of voting when paired with B. Yeltsin and G. Zyuganov. In April, however, his favorable odds virtually "melted away." Thus, the most likely pairing of contenders in a second round of voting is G. Zyuganov-B. Yeltsin.

Our assessments show that in April both G. Zyuganov and B. Yeltsin exhausted opportunities for the further enhancement of their standing by virtue of uncommitted voters. This means that in order to strengthen their positions in the first round, and even more so in the second round of voting, they have to take votes away from other candidates, including one another.

Will they succeed in accomplishing this objective? Let us focus attention in this regard on distinctions of principle in the positions of their main segments of voters on key questions dealing with the reform of society. We see that within the electorate that supports further development of the market, 42 percent are supporters of B. Yeltsin and only 5 percent—of G. Zyuganov. While among people who support the restoration of socialist relations in the economy, 59 percent are supporters of G. Zyuganov and just 5 percent—of B. Yeltsin. Approximately equal portions of the electorate of both candidates—18-22 percent—are in favor of combining market relations with state regulation of the economy.

We observe approximately the same breakdown with respect to voters on the issue of privatization: Is it necessary to carry out further privatization or would it be better to nationalize privatized enterprises?

Already these data show that in order to successfully take away "others'" votes in the time remaining until the election, G. Zyuganov will have to move from the left flank towards the "center" and its right, while B. Yeltsin will have to do the opposite—move from the right flank to the "center" and to its left.

By virtue of the fact that G. Zyuganov has greater ideological restraints and fewer resources in order to engage in such activity, B. Yeltsin's chances look better in the second round—approximately 42 percent to 38 percent.

Of course, further developments in the pre-election situation may cause corrections to be made to this prediction, especially as a result of events occurring between the two rounds of voting, successful or absolutely disastrous campaign advertising (we recall the sad experience of the Ivan Rybkin Bloc in campaign publicity), and of course—the level of voter turnout on the part of supporters of both candidates on election day.

In short, we have a bit longer to wait before we find out whether a prediction of the main event of the year was justified.

*Russia: VTsIOM Conducts Poll on Citizens' Voting Plans

964F1963A Moscow SEGODNYA in Russian 18 Apr 96 p 3

[Review by Oleg Savelyev, All-Russia Center for Public Opinion Studies, under the rubric "Monitoring": "Ratings of Main Presidential Hopefuls 'Froze' in April"]

[FBIS Translated Text] The All-Russia Center for Public Opinion Studies [VTsIOM] has published the data of another preelection express opinion poll of 1,600 federation inhabitants, conducted over the period 4-10 April.

The resulting distribution of responses is shown together with data of the VTsIOM's previous analogous surveys. The common statistical error in such polls is 4 percent.

If the presidential elections in Russia were held next Sunday, would you participate or not?

	January	February	March	April
Definitely will not vote	9	14	12	12
Doubt that I will vote	8	9	8	7
Do not know whether I will vote	14	13	11	11
Most likely will vote	20	15	13	14
Definitely will vote (unless something happens to me by then)	46	48	52	54
No opinion	3	1	4	2

The groups that are more likely to participate in the elections than Russian citizens on average are various-level managers and administrative personnel, the military and law enforcement personnel, pensioners, specialists, and men as a whole, persons older than 40 and especially older than 55, with higher education, high and average income, residents of large cities, and those who in the 17 December 1995 elections voted for the party lists of the CPRF [Communist Party of the Russian Federation], LDPR [Liberal Democratic Party of Russia], DVR [Democratic Choice of Russia], KRO [Congress of Russian Communities], NDR [Russia Is Our Home], and Yabloko.

The greatest share of those who are certain they will not vote is among the unemployed, middle school and college students, and overall those younger than 40, with middle school education, low income, residents of small towns, and those who did not participate in last year's elections.

Why do you not want to vote or doubt that you will vote in the presidential elections? (Respondents who do not intend to vote or doubt they will vote were permitted to check off several answers)

	January	February	March	April
1. I do not trust any of the current politicians, do not want to vote for any of them	25	32	28	27
2. It is obvious what the outcome of these elections will be—my participation in the elections will not change anything	16	14	21	22
3. I am tired of politics and fighting at the top	18	14	20	19
4. I do not know much about politics/not interested in politics	11	16	17	13
5. This will not be an honest election, the results will be falsified	11	13	11	12
6. Most likely, the elections will be canceled	1	3	3	2
7. Russia does not need the office of president, elections are useless	1	2	2	1
Other	6	5	5	4
No opinion	32	17	14	15

What do you expect first of all of the president for whom you might vote? (Respondents were permitted to check off up to five choices)

	January	February	March	April
1. End the war in Chechnya	59	59	60	57
2. Ensure enforcement of law and order	58	54	51	56
3. Return to Russia the status of a great respected power	54	43	41	44
4. Return to ordinary people money they lost in the course of reforms	38	36	38	41
5. Ensure fair distribution of income in the interests of ordinary people	37	36	36	39

	January	February	March	April
6. Continue the reforms but with greater attention to social protection of the population	35	31	33	38
7. Strengthen the role of the state in the economy	37	25	26	26
8. Conduct the course toward reunification of the former USSR republics	13	12	13	13
9. Hold Russia on the course of reforms	13	11	13	15
10. Continue the course toward rapprochement with Western countries	6	8	7	5
Other	1	1	2	2
No opinion	5	5	5	6

Putting an end to the war in Chechnya was mostly expected of the president by NDR, PST [Party of Workers' Self-Government], KRO, Women of Russia, DVR, and Yabloko supporters. Enforcing law and order—by KRO, DVR, and LDPR supporters. To regain the status of great power—by LDPR, CPRF, and KRO supporters. CPRF and PST supporters are waiting for the return of lost money. And CPRF supporters—fair distribution of income.

If the following candidates were running in the presidential elections, who would you vote for? (The question was asked at the request of NTV Television's "Itogi" program). Taken as the base figure were the responses of those who have already decided to vote in the elections, who comprise 68 percent of all respondents' responses.

	January	February	March	April (beg.)	April (end)
1. G. Zyuganov	20	24	25	25	26
2. B. Yeltsin	8	11	15	18	18
3. A. Lebed	10	8	8	10	10
4. G. Yavlinskiy	13	9	11	9	10
5. S. Fedorov	8	7	7	7	8
6. V. Zhirinovskiy	10	12	9	9	8
7. V. Chernomyrdin	7	5	4	3	4
8. Ye. Gaydar	3	4	3	3	3
9. M. Gorbachev	1	1	1	1	1
Other	3	2	1	2	1
Against everyone	2	3	4	4	2
No opinion	15	14	12	10	9

More frequently than respondents in Russia on average, the intention to vote for Gennadiy Zyuganov was reported by managerial and administrative personnel, pensioners, and in general persons older than 40 (especially older than 55—50 percent of the entire electorate), with education below high school, low and medium income, living in the south of the European part of the Russian Federation and in rural population centers, and who in the 17 December 1995 elections voted for the CPRF party lists (71 percent of the electorate).

Boris Yeltsin has relatively more supporters among independent entrepreneurs, the military and law enforcement and men as a whole, persons between 25 and 40 years of age, with higher education, relatively high per capita income, living in the Moscow region, the Volga region, and the Urals, large cities (46 percent of the electorate) who in the previous elections voted for NDR (25 percent of the electorate), as well as for the DVR and Women of Russia.

Aleksandr Lebed has relatively more supporters among workers, the military and law enforcement, the unemployed, and overall among persons between 40 and 55 years of age, with below middle school education, average income, living in the north of the European part of Russia and small towns who voted for the party lists of KRO (27 percent of the electorate) and Great Power [Derzhava].

Those more willing to vote for Grigoriy Yavlinskiy than respondents on the average are professionals (23 percent of the electorate), white-collar workers, and women in general, persons younger than 55, with higher education, high income, living in the capital and other large cities and who voted for the party lists of Yabloko (47 percent of the electorate), Women of Russia, and KRO.

Svyatoslav Fedorov enjoys the greatest support among managerial and administrative personnel, professionals, and women as a whole, persons between 25 and 55 years of age, with higher education, relatively high income, living in Siberia, the Far East, in the north of the European territory of the Russian Federation, and in large cities (47 percent of the electorate) and who previously voted for PST (36 percent of the electorate).

Vladimir Zhirinovskiy would be supported more often than by respondents on average by independent entrepreneurs, office workers without special education, the military and law enforcement, blue-collar workers and men as a whole (67 percent of the electorate), persons younger than 40, with middle school education, low income, living in the south of the European part of Russia, in Siberia, the Far East, and in rural settlements, and who voted in the last elections almost exclusively for Zhirinovskiy's party.

For Viktor Chernomyrdin (if he runs for president) would vote more than on average those in the military and law enforcement, managers and administrators, specialists, pensioners, and men as a whole, persons between 25 and 40 years of age, with higher education, with medium and high income, living in the north of the European part of RF and in large cities and rural settlements, who voted for NDR (38 percent of the electorate).

Yegor Gaydar is supported more than average among the Russians surveyed by independent entrepreneurs, professionals, and men as a whole, persons between 25 and 55 years of age, with higher education, average income, living in the capital and other major cities, who in the State Duma elections voted for the party lists of DVR (54 percent of the electorate).

Those who intend to vote for Mikhail Gorbachev comprise too insignificant a share to permit analysis of their composition.

Those most likely to vote against all candidates enumerated above are most likely to be professionals, blue-collar workers, and men as a whole, persons younger than 25, with middle school education but high income, living in Siberia, the Far East, and in large cities, and who reported that in the 17 December 1995 they also voted against all political associations.

You will vote for this candidate first of all because...? (One choice only for those who already have decided on their candidate)

1. I hope he will be able to maintain at least some stability and order in the country	20	23
2. I trust him as a person and politician	22	23
3. I hope he will be able to radically change the situation in the country	21	19
4. I hope he will be able to continue the reforms in the interests of the whole population of Russia	16	17

1. I hope he will be able to maintain at least some stability and order in the country	20	23
5. I hope he will be able to bring back the good things that existed before perestroyka	10	9
6. I will vote for him to keep Yeltsin from remaining president	4	3
7. I will vote for him so the post of president goes to the Communists	4	3
Other	1	1
Not sure	2	2

Those who trust the candidate as a person and a politician most of all would like to see Svyatoslav Fedorov as president. Those who chose stability and order—Aleksandr Lebed or Boris Yeltsin. And those hoping for radical changes in the country—Vladimir Zhirinovskiy or Grigoriy Yavlinskiy.

To what extent are you certain that you will vote precisely for this candidate in June of this year? (Replies of those who have made the choice)

	January	February	March	April
Absolutely certain	30	40	40	47
I will vote this way unless something extraordinary happens	37	34	34	36
Not quite certain	24	18	20	15
Absolutely uncertain	5	3	4	2
Not sure	4	5	2	1

Supporters of Gennadiy Zyuganov, Vladimir Zhirinovskiy, and Boris Yeltsin showed themselves as most loyal to their candidate. The least loyal—supporters of Svyatoslav Fedorov and Grigoriy Yavlinskiy.

In your opinion, what chances does the candidate you intend to vote for have to win the elections?

	January	February	March	April
He will definitely become president	20	23	26	27
He will definitely make it to the runoff	27	28	25	28
He has a chance to make it to the runoff	27	23	24	22
He is unlikely to make it to the runoff	10	11	9	9
Not sure	16	16	16	14

Convinced of their chosen candidate's victory are the supporters of Boris Yeltsin and those of Gennadiy Zyuganov. On the contrary, supporters of Svyatoslav Fedorov and Aleksandr Lebed most often believe that their candidate is unlikely to make it to the runoff.

Which one of the enumerated politicians you would not want to see as president of Russia under any circumstances? (Several replies permitted)

	January	February	March	April
Vladimir Zhirinovskiy	49	49	58	56
Boris Yeltsin	43	40	37	37
Gennadiy Zyuganov	14	21	26	27
Aleksandr Lebed	9	8	10	9
Grigoriy Yavlinskiy	6	4	8	6
Svyatoslav Fedorov	4	2	5	4
No opinion	8	8	10	15

More often than other respondents, those who intend to vote for Grigoriy Yavlinskiy, Boris Yeltsin, or Svyatoslav Fedorov would rather not see Vladimir Zhirinovskiy as president. Boris Yeltsin is rejected most of all by Vladimir Zhirinovskiy's and Gennadiy Zyuganov's supporters. Against Gennadiy Zyuganov are first of all supporters of Boris Yeltsin and Grigoriy Yavlinskiy. Grigoriy Yavlinskiy, Svyatoslav Fedorov, and Boris Yeltsin supporters would not want Aleksandr Lebed for president. Vladimir Zhirinovskiy and Gennadiy Zyuganov admirers particularly do not want to see Grigoriy Yavlinskiy as president. And Svyatoslav Fedorov is particularly disliked by Vladimir Zhirinovskiy supporters.

Will you personally vote in the runoff elections and if so, who will you vote for if you have to choose between ... and ..., and will you in this case turn out for the elections and vote against both? (Replies from those not sure omitted and comprise the difference between the sum of replies and 100 percent)

	Will vote "for"				Will vote against both				Will not vote in the runoff			
Potential pairs in the runoff	Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr
Yeltsin	18	21	24	28								
Zyuganov	33	34	32	29	22	22	21	18	15	15	12	15
Zhirinovskiy	15	-	13	12								
Zyuganov	35	-	35	33	26	-	32	30	14	-	12	18
Zyuganov	28	31	30	26								
Lebed	28	23	23	28	20	24	24	18	12	12	12	16
Zyuganov	27	30	29	28								
Yavlinskiy	33	29	31	31	17	18	16	14	11	12	10	15

In the potential Yeltsin-Zyuganov pairing, in the second round of elections, in addition to those who voted for him in the first round, Boris Yeltsin would be supported to a greater extent than his rival by supporters of Yegor Gaydar, Grigoriy Yavlinskiy, Svyatoslav Fedorov, and Viktor Chernomyrdin. Gennadiy Zyuganov would get the vote of most of Aleksandr Lebed's and Vladimir Zhirinovskiy's supporters.

In the Zhirinovskiy-Zyuganov pairing, Vladimir Zhirinovskiy would have to settle mainly for the votes of his own first-round supporters. Gennadiy Zyuganov would get a larger share than his rival of voters who in the first round supported Aleksandr Lebed and Svyatoslav Fedorov, although most supporters of the latter two would vote against both candidates. Those who in the first round supported Yegor Gaydar, Boris Yeltsin, Svyatoslav Fedorov, and Grigoriy Yavlinskiy would "unequivocally" vote against both candidates if they had to choose between Zhirinovskiy and Zyuganov.

In the Zyuganov-Lebed pairing, Aleksandr Lebed would take some of Boris Yeltsin's, Svyatoslav Fedorov's, and Grigoriy Yavlinskiy's supporters, although, again, the majority of them would vote against both the aforementioned candidates. The majority of those who initially supported Vladimir Zhirinovskiy would under these circumstance support Aleksandr Lebed.

In the potential Zyuganov-Yavlinskiy pairing, Gennadiy Zyuganov would attract to a greater extent Vladimir Zhirinovskiy's supporters, but the majority of them would vote against both. Grigoriy Yavlinskiy under such circumstances would get the vote of supporters of Yegor Gaydar, Boris Yeltsin, Aleksandr Lebed, Svyatoslav Fedorov, and Viktor Chernomyrdin.

Who, in your opinion, will become president of Russia after all?

	January	February	March	April
1. B. Yeltsin	14	21	29	40
2. G. Zyuganov	18	22	24	23
3. V. Zhirinovskiy	8	8	5	4
4. V. Chernomyrdin	6	3	-	-*
5. G. Yavlinskiy	5	2	3	2
6. A. Lebed	4	2	2	1
7. Ye. Gaydar	1	1	-	-
8. S. Fedorov	2	1	1	1
9. M. Gorbachev	0.6	0.4	-	-
Other	2	1	1	1
Not sure	40	39	35	28

* — were not included in the list in the March survey

Boris Yeltsin's election to the second term is predicted, in addition to his personal supporters, also by those who would vote for Yegor Gaydar, Grigoriy Yavlinskiy, or Svyatoslav Fedorov.

Gennadiy Zyuganov's victory in the presidential race is predicted mainly by those who intend to vote for him. Neither does anybody except his own supporters share the opinion regarding Vladimir Zhirinovskiy's chances of being elected.

In conclusion, I would like to draw attention to the fact that these data, as well as the results of other polls conducted in advance of the event, cannot be seen as a direct prediction of the results of the upcoming presidential elections. It is too early to make any concrete forecasts: The most active part of the election campaign is still ahead. Nevertheless, some preliminary conclusions may be drawn on the basis of the aforementioned survey data.

Although Grigoriy Yavlinskiy and Aleksandr Lebed show favorable ratios when paired in the runoff with Gennadiy Zyuganov, the probability that they will surmount the first-round barrier is much smaller compared with that of Gennadiy Zyuganov and Boris Yeltsin.

And if we compare the data published above with the materials of the survey conducted at the end of March and published in SEGODNYA on 4 April, we can see that the ratings dynamics have stalled over the past two weeks. All indicators, with the exception of the respondents' own forecasts, have remained practically the same. This may mean that all the main contenders have exhausted their initial electoral potential. Further changes in the ratings correlation can be achieved only by energetic actions on the part of the candidates. The following responses to one more question in our surveys may help the candidates to identify directions in which to apply their campaign efforts.

Which problems of our society are of greatest concern to you? (Check no more than five-six options)

	Dec 95	Apr 96
1. Rising prices	43	4 [as published]
2. Armed conflict in Chechnya	33	42
3. Delays in paying back wages	31	42
4. Rising crime rate	35	41
5. Rising unemployment	26	36
6. Crisis in the economy, production decline	23	33
7. Lack of confidence in tomorrow	26	28
8. Sharp differentiation into rich and poor, unfair distribution of income	20	26
9. Population's health, functioning of the health care system	16	23
10. Weakness, helplessness of state authority	19	19
11. Corruption, bribery	15	16
12. Worsening state of the environment	15	16
13. Crisis in morality, culture, ethnics	14	15
14. Exacerbation of interethnic relations	10	10
15. Disruption of economic and political ties with former USSR republics	10	8
16. Conflicts in the top national leadership	9	8
17. Shortage of foodstuffs, basic necessities	6	5
18. Stronger economic and political pressure on the part of the West	5	5
19. Threat of fascism and extremism	7	4
20. Threat of military dictatorship	6	3
Other problems	1	1
No opinion	4	2

*Russia: Opinion Poll on Candidates, Economy Reviewed

964E1132A Moscow INTERFAKS-AIF in Russian 15-21 Apr 96 No 15, p 2

[Unattributed review of INTERFAKS-AIF opinion poll: "What Dreams Will the Voter Have the Night Before 16 June?"]

[FBIS Translated Text] On commission from the INTERFAKS-AIF weekly, the PEKOM information and research center from 19 March to 4 April conducted a survey aimed at finding out voters' motivation on the eve of the presidential elections, their attitude to the current situation in the country, and at appraising the influence on it of different factors and concrete personalities. The survey was conducted in Moscow (1,200 respondents), Yekaterinburg (500 respondents), and Volgograd (500 respondents). The sample was representative with respect to gender, age, and education.

The method—personal interview on the questionnaire consisting of 11 questions. In the course of the survey, 265 respondents refused to answer the survey questions. The allowable error is within 1-3 percent. INTERFAKS-AIF is publishing some of the results of this large-scale survey with editorial comments.

Do you intend to vote in the presidential elections in Russia in June 1996? (Data in percents)

	Moscow	Yekaterinburg	Volgograd
yes	70	58	79
more yes than no	11	20	9
more no than yes	3	8	0
no	5	6	5
do not know	11	8	7

Volgograd stands apart in the resolute determination of its attitudes: This city displays the least degree of reflection and doubt as to whether to vote in the elections. Muscovites so far show much more passivity (almost one in five either will not vote at all or does not yet know what he will do on the third Sunday of summer 1996). Vacillation in the Urals is even greater (22 percent).

Which of the contenders for the office of president of Russia do you plan to support in June? (in percents)

	Moscow	Yekaterinburg	Volgograd
Yeltsin	22	26	17
Zyuganov	8	9	20
Yavlinskiy	22	12	10
Lebed	-	10	12
Gorbachev	6	-	-
Other, or no one	16	13	9
Do not know	26	30	32

Paradoxically, but one-third of Volgograd residents, who overall appear so decisive in their intention to vote, so far either indeed do not know or are too shy to say who exactly they will vote for.

It is also notable that in Volgograd the preferences are clearly polarized between Yeltsin and Zyuganov, while Yeltsin's main rival in Moscow and Yekaterinburg is Yavlinskiy.

Even more interesting is the difference in attitude toward retired general Lebed: While on the Volga and in the Urals he comes in third, and in Yekaterinburg he is even ahead of the CPRF [Communist Party of the Russian Federation] leader himself, in Moscow he only comes in fifth, behind both the generally acknowledged favorites and Gorbachev.

How has your situation changed overall compared to the "pre-perestroyka" period? (in percents)

	Moscow	Yekaterinburg	Volgograd
has improved dramatically	0	2	1
has improved	11	10	10
has improved somewhat	28	30	21
has not changed	11	6	14
has worsened somewhat	25	30	19
has worsened	20	12	23
has worsened dramatically	5	10	12

It turns out that there is not a single person in Moscow whose position has improved "dramatically" over the past 10 years! Perhaps this is only a sociological oddity, or perhaps it indicates Muscovites' different perception of what "dramatically" means. Because, after all, 5 percent of capital city inhabitants do know how it feels for life to "worsen dramatically." In the provinces, there are 2.5 times more such people.

In Yekaterinburg things stayed the same for only 6 percent of the respondents, while in the capital there turned out to be almost twice as many such people, and in Volgograd—almost three times as many. The share of respondents whose situation has indeed changed to some extent, however, was as follows: 39 percent of Muscovites feel better, in Yekaterinburg—42 percent, and in Volgograd—32 percent. The share of those whose situation has worsened, however, is about the same and comprises exactly one-half in Moscow and slightly more in the regions (52 percent in Yekaterinburg and 54 percent in Volgograd).

For whom will this half vote? This seems to depend on which of the candidates will be able to convince the voters that "it is not going to get worse."

How do you appraise the changes that have taken place in the country over the past few years? (in percents)

	Moscow	Yekaterinburg	Volgograd
positive	10	16	10
somewhat positive	35	28	26
somewhat negative	26	26	24
negative	11	18	35
do not know	18	12	5

Interestingly, there were fewer respondents in the capital (by a whole 13 percentage points) who appraise the changes negatively than those dissatisfied with the situation (compare with the preceding table). Which suggests that there are some Muscovites who, despite the fact that life has become worse, philosophically believe that it has become merrier.

In Volgograd, on the contrary, there are 5 percent more "conservatives" who do not like everything that has been happening over the past several years than those unhappy with their own life. In Yekaterinburg, the balance between satisfied and dissatisfied is even—44 percent each.

Your choice most likely will be determined by... (multiple response question, adds up to more than 100 percent) (in percents)

	Moscow	Yekaterinburg	Volgograd
distrust toward the current authorities and the current president	16	22	37
trust in the current authorities	7	8	9
the desire to bring back the pre-perestroyka way of life	2	0	5
the desire to continue the reforms but by different methods	44	32	33
reluctance to return to the past—anticommunist	31	20	14
the desire for change in general	5	18	15
fear of the consequences of a sharp change of course	26	14	16
of many evils, choosing the least, from which one knows what to expect	31	20	13
trust in the candidate or his party	8	4	9
other—what? (common sense, previous experience)	3	6	0

One in five (21 percent) residents of large cities (Moscow, Yekaterinburg, and Volgograd) intends to elect the president of Russia by the "least of all evils" principle. This principle is most popular among Muscovites (31 percent). Sociologists contend that credit for this goes to a great extent to the mass media, which actively promote precisely this approach to the elections. The amusing part is that, it turns out, practically all the candidates (albeit to a different degree) are perceived as an "evil," albeit "a lesser one." Thus, Yeltsin is deemed as "least evil" by 5.7 percent of the voters, Zyuganov—by almost 4 percent, Yavlinskiy—2.8 percent, Lebed—1.6 percent, and Gorbachev—0.5 percent. The only person not perceived by the population as "the least evil" turns out V.V. Zhirinovskiy. His electorate is guided by different motivations: "desire for change in general," "a chance to live decently." It appears a considerable part of the population have reconciled to the fact that they have to elect their rulers not by "merits" but by a lesser number of shortcomings: One cannot be too picky these days. About 7 percent of Russian voters have not yet made a decision on their choice of "lesser evil," despite putting this factor close to the top in significance.

What feelings does the current situation in the country evoke in you first and foremost? (in percents)

	Moscow	Yekaterinburg	Volgograd
nostalgia for the past	5	4	7
hate for the "new Russians"	7	2	9
fear for one's life and the life of one's children	43	34	42
the feeling of being unfairly hurt	16	14	12
this is a natural process we have to live through	23	30	25
the feeling of personal freedom, expanded opportunities	7	24	7
approval of the process of joining the world community	15	22	12
the ability to live a normal life, as in developed countries	25	8	23
hope for a better future for one's children	31	22	28
hurt for the great power (the world no longer counts us)	28	20	49
other (lack of clear prospects; concern for one's future; disgust over people's despicable behavior)	5	3	2

What is encouraging is the number of people who take life philosophically—"life is life": On average, one-quarter of the respondents treat our time of rapid changes as "a natural process we have to live through." Yekaterinburg stands apart in terms of psychological stability of the population. It shows not only the greatest number of "stoics" but also the smallest share of those who feel hatred for the "new Russians." Perhaps there is simply more of them per capita over there? The Urals also displays much less fear for the future than the other two cities, albeit still a lot—34 percent. But the most amazing part is that there are three times as many optimists and people feeling inner freedom in the Urals capital than both Moscow and Volgograd. The feeling of "personal freedom" is felt by one in four residents of Yeltsin's home town (to be precise—24 percent of respondents), compared to one in seven in both hero-cities. The feeling of hurt for the great power is felt most acutely on the Volga—almost one in two, despite not that many people being nostalgic for the past—only 7 percent (and even fewer in Moscow and Yekaterinburg).

Baltics: Baltic Parley on Organized Crime Opens in Vilnius

WS1005081596 Tallinn BNS in English 1758 GMT 9 May 96

[FBIS Transcribed Text] Vilnius, May 9, BNS — Lithuania, Latvia and Estonia are in a geographical position which is very handy for the transit of drugs, arms and other smuggled goods, Lithuanian Deputy Prosecutor General Arturas Paulauskas said on Thursday in an international conference underway in Vilnius.

The three-day conference, dealing with the organized crime in the Baltics, has been held by the Lithuanian parliament's National Security Committee and Europe 2000 organization.

On the second day of the conference Baltic law-enforcement experts focused on highest and quickest profit yielding illegal businesses, such as trafficking in drugs, arms or radioactive substances.

Western experts reported on horrifying cases of illegal trading in children.

Speaking on drugs trafficking, Paulauskas voiced fears that new drugs routes from Asia to Northern and Western Europe may be set up on the Baltic territory.

Hard drugs — hashish, heroin and cocaine — were said to have highest turnover in the Baltics.

2,000-dollar Kalashnikov machine-guns, 500-dollar Russian TT and Makarov, German Valter and Luger pistols are most popular among Lithuanian traffickers, the prosecutor said.

According to data available to Lithuanian law-enforcement bodies, criminals either buy arms and explosives or steal them from the Russian army in neighboring Russia's Kaliningrad region or Lithuanian Voluntary National Defense Service (SKAT) arsenals.

Arms and explosives are also sold by underground arms makers. Recent years saw a wide spreading of international arms trafficking operations in the region, Paulauskas said.

All speakers shared the position that no success in organized crime countering can be achieved without effective cooperation among law-enforcement agencies of different countries.

Russia: Primakov Returns to Yerevan on Diplomatic Mission

LD0905113096 Moscow ITAR-TASS World Service in Russian 0649 GMT 9 May 96

[By ITAR-TASS correspondents Yuriy Kozlov, Tigran Liloyan]

[FBIS Translated Text] Yerevan, 9 May — Russian Foreign Minister Yevgeniy Primakov ended his visit to Nagornyy Karabakh and returned from Stepanakert to Yerevan this morning. He is in the Transcaucasus as part of the Russian Federation's "shuttle" diplomacy to secure a settlement in Nagornyy Karabakh. The head of the Foreign Ministry noted that the settlement is being sought on personal instructions from Russian President Boris Yeltsin.

While in Stepanakert, Yevgeniy Primakov held talks with the leaders of Nagornyy Karabakh. Agreement was reached on the release of Azerbaijani POW's and hostages captured by the Karabakh side during the conflict.

Today, the minister will meet Armenian President Levon Ter-Petrosyan and lay a wreath at the Tomb of the Unknown Soldier in Yerevan.

Russia: Zyuganov: Baltics Could Be Threatened by Economic Means

WS1005081396 Tallinn BNS in English 1758 GMT 9 May 96

[FBIS Transcribed Text] Riga, May 9, BNS — Russia could ensure observation of human rights in the Baltics by economic means, considers the leader of Russian communists and candidate for president's post Gennadiy Zyuganov.

He voiced such opinion in an interview to the Russian-language newspaper "PANORAMA LATVII" thus informing about his actions planned in case of winning the presidential elections.

"If the Baltic countries continue to violate rights of our compatriots, Russia can take strict economic measures against them by, e.g. selling gas and oil to the Baltic states for the world prices. Right on the next day human rights will be observed in these states," says Zyuganov.

He noted that the Baltic states get approx. two billion U.S. dollars by reselling energy resources received from Russia.

Zyuganov said that Russian authorities "have not made any mistakes but have delibertely avoided taking any measures to protect rights of their compatriots in the Baltic states by now."

Russia: Estonia Wants Cooperation Despite 'Hostile Statements'

LD0905142496 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax/BNS) — Estonia wants constructive cooperation with Russia, the Estonian Foreign Ministry said in its statement published in Moscow Thursday.

Estonia is ready to cooperate "even despite a number of hostile statements and threats by various political leaders and MPs of Russia," it said.

"We are amazed and worried about the unfinished, illogical and confused charges with illegal arms sales levelled by Russia's Federal Security Service (FSB) against Estonia," the ministry said.

"Competent sources in the republic refute all these allegations," the statement stipulated.

"The FSB deliberate attempts to discredit such a legitimate organization as militarized volunteers' corps Kaitseliit arouse regret of the Estonian leadership," the ministry said.

Prior to this, some Russian media cited an anonymous FSB source as saying that the Irish Republican Army (IRA) had purchased several shipments of arms and explosives in Estonia. He also said Kaitseliit assisted the purchases.

The FSB discovered Kaitseliit's links with the IRA in the course of an operation to prevent arms smuggling from Estonia to Russia.

"The statements by the FSB officer are his personal opinion and do not reflect the official position of the Russian Foreign Ministry," the Estonian Foreign Ministry hoped.

Russia: Russian, Ukrainian Officials Cited on NATO Expansion

WS0905100796 Minsk BELAPAN in English 0656 GMT 9 May 96

[FBIS Transcribed Text] Minsk, 8 May — "NATO, which aspires to be the only guarantor of stability in Europe, will not be able to bear the responsibility for the safeguarding of security on the territory of the former republics of the Soviet Union. These republics will have to solve this problem by themselves," Vladimir Lopatin, Chairman of the Information Security Subcommittee of the Russian State Duma said while speaking at the international conference "European Security: Regional and Global Problems" on May 7. Of special concern is the fact that the likely military, political, economic and psychological consequences of the NATO eastward expansion have not yet been considered, Mr Lopatin noted.

In addition the speaker holds that the NATO eastward expansion will make the military and political organisation of the CIS member states — the collective security system — increase its strength. This may result in attempts by both blocs to win partnership of states that are not members of them, which will by no means be a contribution to European security, Mr Lopatin said.

Speaking at the forum Vadym Hrechaninov, President of Ukraine's Atlantic Council, said, "Choosing ways of development the New Independent States do not always analyze objective factors. Sometimes the subjective forceful approaches of the authorities and people at power triumph." Moreover the situation may be aggravated when "insufficiently educated people come to power, using nationalist tendencies and resorting to empty promises," and impose a policy which is "able to do everything in theory and nothing in practice". Under these conditions it is difficult for countries to take a position as regards the guidelines of their development. "The public opinion accompanied by an objective analysis is of great value" under such conditions, Mr Hrechaninov said. Maybe this is the reason why Ukraine is the only state in Central and Eastern Europe which have not yet determined on its position as regards the NATO eastwards expansion.

Both positive and negative attitudes towards the NATO eastward expansion are observed in the country. Nevertheless Ukraine admits that in spite of its independence it is still influenced by two "powerful centres," Russia and the West. That is the reason why the Ukrainian leadership cannot finally fix upon a position so that it will meet the national interests to the greatest degree in view of its geostrategical situation.

Russia: Moscow Conference on Collaboration With U.S., Finland

MM0905115996 Moscow TRUD in Russian 7 May 96 p 2

[Account of interview with Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, by Valeriy Khudayev; date and place of interview not given: "When Three Is Not A Crowd"]

[FBIS Translated Text] The conference "American-Finnish-Russian Collaboration: The Way to Trade and Investment" has ended in Moscow. Our correspondent asked Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs and cochairman of the conference, to comment on its results.

We are satisfied with the results, A. Volskiy said. The conference had eminent patrons — Finnish Prime Minister Paavo Lipponen, Russian Prime Minister Viktor Chernomyrdin, and U.S. Vice President Al Gore, who sent us their greetings. It is no coincidence that people of such stature are interested in the conference. U.S. investors now rank first, having invested $829 million in our country's economy. That is still not a lot but I am sure that it is only the beginning. Because people in the United States, which I have visited a number of times, are convinced that there is no greater contribution to be made to the cause of universal security and prosperity than Russia's uninterrupted progress toward a market economy. The support given to our economic development is an investment in their own future....

As for Finland.... We have now almost restored the volume of trade turnover between our countries. Furthermore, Finland — a real gateway to Russia — is the only EU country which has not only a common border with us but also vast experience of businesslike and mutually beneficial cooperation with the former USSR stretching back over many years.

It is no wonder that this country is serving as an interested and reliable intermediary. This three-way cooperation is giving new dynamism to the multifaceted and mutually beneficial partnership of the countries participating in the dialogue.

So we did not just talk and then go away this time. The U.S. Export-Import Bank has allocated considerable resources for the development of Russia's timber and paper industry. Many other mutually beneficial projects are being examined. In short, this is the beginning of the road for us. And it inspires optimism despite the Russian proverb that two is company, three is a crowd....

Russia: Reporter Analyzes Outcome of ROK Foreign Minister's Visit

SK1005041396 Moscow Voice of Russia World Service in Korean 1200 GMT 9 May 96

[From the "Today's World" program]

[FBIS Translated Text] ROK Foreign Minister Kong No-myong stayed in Moscow from 5 to 8 May. He came here for an official visit at the invitation of Russian Foreign Minister Yevgeniy Primakov.

Station reporter (Mikhail Kretov) covered his visit.

(Mikhail Kretov) reports: During his visit to our country, Foreign Minister Kong No-myong met with Yegor Stroyev, chairman of the Federal Council of the Federal Assembly of Russian Federation; Vitaliy Ignatenko, deputy prime minister of the Russian Government;

Vladimir Lukin, chairman of the Duma's Committee for International Affairs; and Yevgeniy Primakov, Russian foreign minister.

Foreign Minister Kong No-myong also met with faculty members and students from Moscow International Relations University, which is under the Russian Ministry of Foreign Affairs.

During these meetings, the issue of developing Russian-ROK relations in the future was discussed; the present status of relations between the two countries was analyzed; views on the present situation on the Korean peninsula were exchanged; and the issue surrounding the mutual cooperation Russia and the ROK should make on the international arena was discussed.

During the meetings, the fact that high-level political contacts have been made in the overall relations between the two countries was noted. In addition, the need to further invigorate cooperation in the trade and economic fields was stressed, and the need to more widely deepen the legal foundation for mutual relations was noted.

The Russian side expressed its interest in the expansion of ROK investments in its economy.

In discussing the situation on the peninsula, the two sides particularly stressed that the escalation of the military and political confrontation should be avoided.

Both sides expressed concern over the fact that the situation on the peninsula has become tense due to attempts to terminate the validity of the peace-keeping organization based on the 1953 Armistice Agreement.

In connection with the situation on the peninsula, Russia believes all parties concerned should display self-restraint, and that the interests of all parties concerned, including Russia, should be taken into consideration in seeking to build a new mechanism to maintain peace on the peninsula.

During the talks in Moscow, the reasonability of the Russia- advanced proposal to convene an international conference for the settlement of the question of the peninsula was stressed once again.

Russia: Hong Kong Conference on Prospects for Russian Trade

MM0905115496 Moscow FINANSOVYYE IZVESTIYA in Russian 7 May 96 p 6

[Report by Anatoliy Sautin: "Hong Kong Awaits Business Offers From Russia" — received via Internet]

[FBIS Translated Text] The return of Hong Kong to China's jurisdiction will not lead to great changes in business relations with Russia. Owen Chi, spokesman for the Hong Kong Trade Development Council, declared this at a recent conference on problems of trade between Russia and Hong Kong. K. Ivanov, Russia's consul general in Hong Kong, in turn advised Russian businessmen to integrate more actively in the southeast country's economy and to open regional marketing missions and purchasing offices on the island.

Ranking eighth in the world in terms of the volume of commodity turnover, the "Asian tiger" has achieved fivefold growth in foreign trade over the past decade. At the same time Hong Kong's per capita foreign trade turnover is tenfold the equivalent U.S. indicator.

Russia recently joined the "Asian tiger's" new business partners. Last year commodity turnover between the two countries exceeded $700 million, although back in 1992 it stood virtually at zero. Radio and computer equipment accounts for 21 percent of the goods imported into Russia, clothes account for 13 percent, and clocks and watches for 17 percent. Incidentally, in the majority of instances the mechanisms of the imported clocks and watches are made in our plants. On the island they are merely set within fine cases.

Russia maintains a positive balance of trade with Hong Kong (almost $150 million). Admittedly, raw materials and metals remain the basic commodities exported from Russia, not science-intensive products. Last year aluminum accounted for 61 percent of Russian exports, and oil accounted for 13 percent.

Meanwhile, in the opinion of experts, the Russian semiconductor industry fits ideally onto the Southeast Asian market. "If Hong Kong were to pass to Russia its experience of mass production of finished output and its knowledge of the world market, your producers would be untouchable," Peter Gordon, manager of the Image Alpha Limited consulting company, said.

As the conference participants pointed out, the main problem in developing business relations is that Hong Kong and Russia still do not know each other well. Investors from the island, which is small in area but strong in terms of financial resources (85 of the world's 100 largest banks operate in Hong Kong, and the daily turnover of the interbank money market is estimated at an average of $16.5 billion), do not feel a strategic need to maintain a presence in all markets simultaneously. Particularly as, according to one Hong Kong company's definition, a lot of money will have to be spent on studying the Russian economy. One of the few experiments that Asian investors allowed themselves to conduct in Russia was the modernization of a St. Petersburg hotel, on which $7 million was spent.

Many Russian businessmen in turn still prefer to look for partners in Europe or America and only then in other regions. Russia implements almost 70 percent of deals with Asian companies through European intermediaries. Meanwhile, "if we trade directly, Russia can gain access to the market in the southern part of China and blaze commercial trails into other countries on the Asian mainland," Owen Chi believes.

Russia: Turkish Prime Minister Denies Involvement in Chechnya

LD0905144196 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] Ankara, May 9 (Interfax) — In an interview with a group of Russian journalists in Ankara Wednesday, the Turkish Prime Minister Mesut Yilmaz refuted media assertions that his country is involved in the Chechen conflict.

Answering an Interfax reporter's question, he declared that "the Turkish authorities cannot prevent their citizens of Chechen origin from close contact with Chechens."

Yet, the Turkish government "does not support these persons in any way". Nor has it encouraged Chechen terrorists as it "sincerely desires an early end to the tragedy in Chechnya," prime minister said, adding that "to keep Russia territorially integral" is as important for Turkey as "to settle the Chechen problem peacefully."

"It is clear that this conflict cannot be settled by force," Turkish leader declared.

Russia: Turkish Premier on Ties With Russia, Central Asia

LD0905144696 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] ANKARA, May 9 (Interfax) — Turkish Prime Minister Mesut Yilmaz has told a group of Russian journalists in Ankara that relations between Turkey and Russia develop positively in many areas. He said he hopes that after the presidential elections in Russia the bilateral intergovernmental commission for economic cooperation will convene for another session to give a fresh impetus to relations between the two countries.

Some circles in Russia, Yilmaz complained, resent the fact that Turkey is furthering relations with the former Soviet republics in Central Asia. He can state openly that the development of ties between Turkey and those countries is not detrimental to Russia, he pointed out.

Turkey realizes that Russia maintains special relations with the former Soviet republics in Central Asia, and it has respect for Russian interests in those states, Yilmaz said.

With reference to the transportation of Caspian crude he pointed out that in this respect Turkey wants to cooperate with Russia, not compete with it. There is enough oil in the Caspian area for its transportation by different routes, including pipelines, Yilmaz said. Nevertheless he noted that Turkey is concerned about the danger posed to the 12 millions of Istanbul residents by the big oil tankers passing through Bosporus.

Turkey believes that the optimal way to resolve this problem is to transport Caspian oil by land, but this issue should better be settled at the negotiating table.

Turkey's prime minister accused Syria and Greece of supporting the separatist Kurdish Workers' Party. He said he hopes that Russia will join the countries which will exert pressure on Damascus with a view to persuading it to stop supporting terrorism.

With reference to prospects for military-technical cooperation with Russia Yilmaz said he hopes that bilateral ties in this area will develop. He said however that Turkey's army is armed under NATO standards, and this complicates military cooperation with Russia to some extent.

For his part, the director of the Slav countries department of Turkey's Foreign Ministry Alp Karaosmanoglu told Russian journalists the same day that Ankara intends to place another order for different types of arms with Russia. In answer to Interfax's question he said that the corresponding order will be forwarded to Moscow in the near future.

According to the diplomat, the value of the already signed contracts for the supply of Russian arms to Turkey totals $130 million.

Ankara buys from Moscow armored vehicles, helicopters, firearms and military equipment, the diplomat said.

Political Issues

Russia: Yeltsin Eulogizes Wartime Losses in Kremlin

LD0905130496 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 9 May 96

[Correspondent Vladimir Polozhentsev video report; from the Novosti newscast]

[FBIS Translated Text] Boris Yeltsin invited into the Kremlin the victorious soldiers, Heroes of the Soviet Union, and holders of the Order of Glory:

[Begin Yeltsin recording] There were grave losses and suffering. There were tears and blood, anxious waiting and hope. In blockaded Leningrad, [poet] Olga Bergolts wrote: My heart holds few tears. The hatred does not allow us to cry. The hatred has become our guarantee of life, uniting us, warming us, leading us on. This blessed hatred of the enemy has given us the strength to hold on, given us the strength to win. [end recording]

In his address to former soldiers and officers, Boris Yeltsin said there is no more cherished holiday for Russia than the day of the great victory and that the present generation will always be proud of those who succeeded in defending their freedom.

Russia: Yeltsin Calls on Veterans To Ensure Stability, Peace

LD0905192596 Moscow ITAR-TASS World Service in Russian 1707 GMT 9 May 96

[By ITAR-TASS special correspondents Sergey Trofimov and Andrey Shtorkh]

[FBIS Translated Text] Volgograd, 9 May (ITAR-TASS) — Russian President Boris Yeltsin, who arrived today in the hero city on the Volga, has had a meeting here with Volgograd war veterans and cordially congratulated them on the festivities marking the anniversary of the great victory. In Boris Yeltsin's opinion the transformations now underway in Russia can be compared to victory in the last war.

"The spiritual strength, which helped the people resist, and a special Russian tempering are handed on from generation to generation," the head of state noted, addressing those assembled.

Recalling the dramatic events more than half a century ago Yeltsin stressed: "We are at present going through a similar critical and crucial time, and we must now be victorious, victorious over ourselves. We must overcome ourselves for the sake of the future."

"It was you veterans," Yeltsin said, "who defended our motherland's independence. The generations coming after you are striving to make it free and prosperous."

"Thanks to the great victory the people of the world felt for the first time that they were capable of unity and solidarity," the Russian head of state went on to say. "True to your mandates, we are at present striving for a united Europe, a united Asia, and a united world undivided by the trenches of military blocs".

According to Yeltsin "the main lesson for us nowadays is that victory was possible only thanks to people's unity." "This is vitally needed by us at the present time as well," the president said.

"Victory unites us as a people," Yeltsin said in conclusion. "Whatever differences there are at present, we are all citizens of Russia and compatriots. May that time, that sacred hatred for the enemy, and that sacred unity be the yardsticks of our present attitude to each other! I call on you to help defend stability, tranquillity and civil peace in the country."

As a memento of the meeting and his visit to Volgograd the Russian president was handed a copy of the Motherland sculpture, which rises above Mamayev burial mound and is visible from all parts of the city on the Volga. The 135-cm tall aluminum copy was made at the Suvenir factory in Volgograd.

Russia: Top Leadership Views Victory Day Parade From Lenin Mausoleum

LD0905121896 Moscow ITAR-TASS World Service in Russian 0509 GMT 9 May 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Excerpt] Moscow, 9 May (Itar-Tass) — [passage omitted]

For the first time in the past few years the country's top leadership and general officers have mounted the rostrum of the Lenin Mausoleum.

The whole of Red Square is full of people, including veterans and guests of the capital.

[passage omitted]

Russia: Lebed Addresses Radio Listeners on Victory Day

LD0905175596 Moscow Mayak Radio Network in Russian 1425 GMT 9 May 96

[Address by Aleksandr Lebed, Russian State Duma deputy, to Mayak listeners on the occasion of Victory Day; place and date not given — recorded]

[FBIS Translated Text] Dear fathers, veterans of the Great Patriotic War! I congratulate you on the greatest, the proudest, and the most bitter of the Russian public holidays. We may not talk about this very often, but we always remember: Russia, we the Russians, saved the world. We routed the strongest and deadliest empire in the history of mankind. This was the highest point of Russia's glory. The only other time when Russian men performed a similar heroic feat was in the patriotic war of 1812. Only one people in the world history has been able to rout two of the strongest armies of the strongest world empires. No one has forgotten the name of that people. It was the Russian people.

Today is not the day to talk about problems and hardships. It is not the day to talk about politics. Today is not the day to pity the veterans. Today I do not pity you, I admire you. We know that when necessary, Russia can do anything it wants. Today is the day when we should be thinking about Russia's destiny and what it means to be a Russian at present. Today is the day we should believe in our own potential. No one brought us to our knees today, no one made us bend our heads down. We ourselves got down on our knees and bent our heads. Such things have also happened in our history. But we always got up. And we will do the same now.

Comrades-in-arms, veterans of the Afghan war, dear sons and veterans of the Chechen war, and dear veterans of all the undeclared wars that our country fought in the last 50 years! We all did our duty. We can look our fathers in the eye. But this is not enough. Today the whole responsibility for Russia rests on our shoulders. It rests on us — the strong adults. We must do everything possible and impossible to make our children proud to be Russians and to be Russia's citizens.

Russia: Spy Scandal Seen as Part of Yeltsin Election Campaign

MS0905123796 London THE DAILY TELEGRAPH in English 9 May 96 p 16

[Report by Alan Philps: "Espionage Plus Elections Equals Exposure"]

[FBIS Transcribed Text] The exposure of the alleged British spy ring in Moscow on Monday was clearly dictated by the approach of the Russian presidential elections on June 16, Russian politicians and analysts believe, writes Alan Philps.

But there is also a widespread view in Russia, which for decades was paranoid about secrecy, that it is high time the Kremlin cracked down on foreign spying, said by Russian counter-intelligence experts to have reached unprecedented levels.

A former KGB general, Nikolai Leonov [as published], told Russian independent television expulsions usually had a political motive.

"The counter-intelligence services only detect cases of espionage," he said. "It is the political leadership which decides whether to use this information for a public scandal, and if so, when."

The Communist Party was accusing Mr Yeltsin of being a Western puppet. "Now is the chance to show that the Kremlin is independent, is tough and ready to defend national interests," he said.

Spy scandals touch a sore point with many people in Russia who feel that their country is an open market for foreign agents. It is widely assumed that state officials sell secrets to the highest bidder.

Viktor Ilyukhin, chairman of the security committee of the lower house of parliament, the State Duma, supports a campaign against foreign intelligence activity, but sees this one as part of Mr Yeltsin's image-boosting campaign.

"Yeltsin's team will try to use this to throw dust in the eyes of the Russian voter and pretend that they are defending the national interest," said Mr Ilyukhin, a senior Communist Party member.

"But I must say that over the past four years the foreign special services have been working shamelessly on our territory and it has become necessary to limit their activities."

Dr Sergei Markov, professor of politics at Moscow State University believes that Britain was picked on because the Kremlin's relationship with London is less important than that with Washington or Bonn.

"Britain is a small country but has a high intelligence activity," he said. "It was felt that this was out of proportion."

While the timing may be electoral Dr Markov believes it was inevitable that the Russian counter-intelligence service would fight back.

"For a number of years the Russian special services were utterly passive and the KGB was practically liquidated," he said. "No other country would tolerate this."

Simple explanations for Kremlin actions, however, may miss the point at a time when the usual struggle for influence in the Kremlin has been sharpened by the approach of the elections. In a breach of normal practice, the expulsions were announced by the Federal Security Service, the domestic arm of the old KGB, rather than by the Foreign Ministry.

This has led some observers to see the hand of Mr Yeltsin's hawkish security chief, Lt-Gen Alexander Korzhakov, behind the stoking of the spy scandal.

Konstantin Borovoy, an entrepreneur and independent member of parliament, said: "It was concocted by Gen Korzhakov, who is trying to increase his influence over the president. It creates a bad image of Russia and its president. Any child can see that this is taking place just after a summit in Moscow at which the Western powers supported his reelection campaign."

Others disagree. Dr Markov said: "This spy scandal will be positive for the Yeltsin campaign. The effect will not be enormous, but it will be successful."

Russia: Yeltsin Aide Denies Link Between Spy Scandal, Elections

LD1005093196 Moscow ITAR-TASS in English 0845 GMT 10 May 96

[By Sergey Trofimov and Andrey Shtorkh]

[FBIS Transcribed Text] VOLGOGRAD, May 10 (Itar-Tass) — Presidential Aide for International Affairs Dmitriy Ryurikov has described as sheer "stupidity" the claims of some mass media sources that Moscow's reported intention to expel several British Embassy official from Russia was linked with Boris Yeltsin's election campaign.

According to Ryurikov, who is accompanying President Yeltsin in his Volga tour, such rumours are "absolutely groundless".

"I can say with utmost responsibility that there were no beforehand plans to expel any foreign spies, including Britons, and the President has never found it proper to deal with such matters, which are not his business," Ryurikov stated. "Nobody had specially planned such actions, and it is absurd to presume that such steps were being taken within the frameworks of President Boris Yeltsin's election campaign," he stressed.

Ryurikov noted that neither he himself, nor anybody from his apparatus, had been instructed to deal with these problems.

Russia: Police Detain Chechen Rebel Parliament 'Representative'

LD0905145796 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax) — The Russian police detained Vagip Tutakov who introduced himself as the representative of the Chechen separatist parliament, his brother Valid Tutakov told Interfax Thursday.

The police kept the detention secret since May 7 when Tutakov was caught as he left Kaluga for Moscow. Law enforcers said there were arms in Tutakov's car and searched his apartment. "The policemen were chiefly interested in documents and phone numbers my brother had," Valid Tutakov said. "One of them who introduced himself to me as Chechenkov told me about it."

Russia: Decree on Revaluation of Oil Enterprises' Fixed Assets Issued

MM1005102796 Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3

[Russian Federation Government decree No. 421, signed by V. Chernomyrdin, chairman of the Russian Federation Government, in Moscow on 12 April 1996: "On the Revaluation of the Fixed Capital of Oil-Extracting and Oil-Refining Organizations"]

[FBIS Translated Text] The Russian Federation Government decrees that:

In partial amendment of Russian Federation Government decree No. 1148 "On the Revaluation of Fixed Capital," dated 25 November 1995, (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII No. 49, 1995, p 4796), oil-extracting and oil-refining organizations are granted the right to carry out by agreement with the organs of executive power of Russian Federation components the revaluation of the fixed capital on their balance sheets as of 1 January 1996 in equal quarterly increments by applying reducers to the indexes for the revaluation of fixed capital set by the Russian Federation State Committee for Statistics and to the indexes obtained during revaluation carried out in conformity with Paragraph 4 of Russian Government decree No. 1148, dated 25 November 1995.

The revaluation is to be completed in October 1996, ensuring thereby that the value of the fixed capital is in line with the figure calculated according to the aforementioned indexes.

Oil-extracting and oil-refining organizations are to reflect the results of the revaluation in their quarterly balance sheets and report them to their statistical organs.

[signed] V. Chernomyrdin, chairman of the Russian Federation Government

[dated] 12 April 1996

*Russia: Leading Politicians for April Listed

964F2070A Moscow NEZAVISIMAYA GAZETA in Russian 30 Apr 96 pp 1-2

[Article by Aleksandr Kinsburskiy, Vox Populi service: "Russia's 100 Leading Politicians in April: Boris

Yeltsin's Activeness Makes an Impression on the Experts"]

[FBIS Translated Text] Despite the saturation of today's life with events associated the upcoming presidential elections, the correlation of forces in the political Olympics has changed little in the past month. Possibly, this is explained by the high degree of polarization and tension in the election campaign. The degree of influence of the two chief rivals—Boris Yeltsin, current Russian Federation president, and Gennadiy Zyuganov, chairman of the Central Executive Committee of the Communist Party of the Russian Federation—has increased a little compared to March; however, a considerable gap (more than a whole point) remains between them in favor of Yeltsin. Fluctuations in the ratings of the politicians from the first 10 were not great. If you analyze the published list as a whole, perhaps presidential candidate **Aleksandr Lebed** (14), chairman of the Central Election Committee **Nikolay Ryabov** (18), chief of staff of the Chechen Armed Formations **Aslan Maskhadov** (26), and a few other politicians whose ratings increased, but less than a point, managed to achieve relative success. This time there also are no serious downfalls: the average rating of only one Russian politician—**Sergey Baburin** (77-78)—fell sharply: from 3.83 in March to 2.77 in the past month.

No.	Full Name	AVERAGE POINTS without mark of influence		AVERAGE POINTS with mark of influence	
		April	March	April	March
01	Yeltsin, Boris Nikolayevich	8.31	(8.11)	+6.36	(+5.29)
02	Zyuganov, Gennadiy Andreyevich	7.08	(7.37)	-2.76	(-3.80)
03	Chernomyrdin, Viktor Stepanovich	6.85	(7.00)	+6.33	(+6.38)
04	Luzhkov, Yuriy Mikhaylovich	6.71	(6.81)	+6.53	(+6.74)
05	Dudayev, Dzhokhar Musayevich	6.63	(6.48)	-6.59	(-6.55)
06	Korzhakov, Aleksandr Vasilyevich	6.24	(6.32)	-0.24	(-1.69)
07	Primakov, Yevgeniy Maksimovich	5.73	(5.63)	+5.09	(+4.96)
08	Ilyushin, Viktor Vasilyevich	5.71	(5.44)	+3.49	(+2.37)
09	Grachev, Pavel Sergeyevich	5.65	(5.56)	-4,00	(-3.72)
10	Yavlinskiy, Grigoriy Alekseyevich	5.57	(5.61)	+3.76	(+5.00)
11	Yegorov, Nikolay Dmitriyevich	5.28	(4.89)	-1.13	(-1.46)
12	Soskovets, Oleg Nikolayevich	5.12	(5.27)	+2.21	(+2.24)
13	Zhirinovskiy, Vladimir Volfovich	5.10	(5.52)	-3.93	(-4.17)
14	Lebed, Aleksandr Ivanovich	5.04	(4.36)	+4.08	(+2.19)
15	Stroyev, Yegor Semenovich	5.02	(5.09)	+4.77	(+5.24)
16	Livshits, Aleksandr Yakovlevich	4.92	(5.02)	+4.58	(+4.67)
17	Shaymiyev, Mintimer Sharipovich	4.90	(4.66)	+4.96	(+4.33)
18	Ryabov, Nikolay Timofeyevich	4.84	(3.92)	+3.40	(+2.60)
19	Seleznev, Gennadiy Nikolayev	4.83	(5.70)	-0.86	(-2.33)
20	Kulikov, Anatoliy Sergeyev	4.79	(5.04)	+1.63	(+1.41)
21-22	Barsukov, Mikhail Ivanovich	4.66	(4.78)	-2.65	(-3.08)
21-22	Kardannikov, Vladimir Vasilyevich	4.66	(4.87)	+4.38	(+4.30)
23	Dubinin, Sergey Konstantinovich	4.63	(4.66)	+4.48	(+4.90)
24	Baturin, Yuriy Mikhaylovich	4.57	(4.28)	+4.16	(+4.07)

		AVERAGE POINTS without mark of influence		AVERAGE POINTS with mark of influence	
25	Aleksiy II	4.46	(4.07)	+4.41	(+3.92)
26	Maskhadov, Aslan Aliyevich	4.33	(3.39)	-3.36	(-3.21)
27	Nemtsov, Boris Yefimovich	4.27	(4.46)	+3.86	(+2.38)
28	Panskov, Vladimir Georgiyevich	4.23	(4.17)	+3.37	(+3.93)
29	Rossel, Eduard Edgarovich	4.12	(3.81)	+3.58	(+3.58)
30	Nikolayev, Andrey Ivanovich	4.00	(4.06)	+4.33	(+4.26)
31	Skuratov, Yuriy Ilich	3.98	(4.45)	+3.70	(+4.10)
32	Tuleyev, Aman-geldy Moldagazyyevich	3.96	(3.85)	-2.30	(-1.39)
33-34	Zaygayev, Doku Galurovich	3.87	(4.11)	+0.44	(+0.79)
33-34	Fedorov, Svyatoslav Nikolayevich	3.87	(4.11)	+3.12	(+2.80)
35	Yasin, Yevgeniy Grigoryevich	3.85	(3.93)	+3.67	(+4.27)
36	Malashenko, Igor Yevgenyevich	3.78	-	+2.48	-
37	Pain, Emil Abramovich	3.71	(3.40)	+2.50	(+2.70)
38	Satarov, Georgiy Aleksandrovich	3.69	(4.63)	+2.69	(+3.74)
39	Trubinkov, Vyacheslav Ivanovich	3.63	-	+4.52	-
40-41	Kuptsov, Valentin Aleksandrovich	3.55	-	-1.74	-
40-41	Lukin, Vladimir Petrovich	3.55	(3.54)	+2.91	(+3.27)
42	Resin, Vladimir Iosifovich	3.49	(3.33)	+3.72	(+3.42)
43	Kiselev, Yevgeniy Alekseyevich	3.47	(3.64)	+2.76	(+2.74)
44-46	Kolesnikov, Mikhail Petrovich	3.45	(2.93)	+0.82	(+2.23)
44-46	Mikhaylov, Vyacheslav Aleksandrovich	3.45	(3.38)	+3.58	(+3.44)
44-46	Tumanov, Vladimir Aleksandrovich	3.45	(3.62)	+3.03	(+3.75)
47	Sagalayev, Eduard Mikhaylovich	3.44	-	+2.55	-
48	Ilyukhin, Viktor Ivanovich	3.42	(3.43)	-1.05	(-1.27)
49	Kazakov, Aleksandr Ivanovich	3.41	-	+2.71	-
50	Belyayev, Sergey Georgiyev	3.38	(4.00)	+2.72	(+3.52)
51	Gorbachev, Mikhail Sergeyevich	3.37	(3.15)	+1.31	(+2.39)
52-53	Kokoshin, Andrey Afanasyevich	3.35	(2.65)	+3.28	(+2.74)
52-53	Sobchak, Anatoliy Aleksandrovich	3.35	(3.61)	+2.20	(+2.56)
54-55	Nazdratenko, Yevgeniy Ivanovich	3.27	(3.06)	+0.23	(+1.29)
54-55	Tarpishchev, Shamil Anvarovich	3.27	(3.18)	-2.10	(-0.79)
56	Ignatenko, Vitaliy Nikitich	3.24	(3.15)	+3.00	(+2.43)
57	Chubays, Anatoliy Borisovich	3.20	(3.07)	+1.72	(+2.82)
58	Lukyanov, Anatoliy Ivanovich	3.19	(3.91)	-1.75	(-2.57)

		AVERAGE POINTS without mark of influence		AVERAGE POINTS with mark of influence	
59	Shoygu, Sergey Kuzhugetovich	3.14	(3.68)	+3.33	(+4.05)
60	Anpilov, Viktor Ivanovich	3.06	(3.94)	-2.84	(-3.52)
61	Borodin, Pavel Pavlovich	3.02	(2.95)	+1.89	(+2.42)
62	Galazov, Akhsarbekh Khadzhimurzayevich	3.00	(3.42)	+2.72	(+2.83)
63	Tyazhlov, Anatoliy Stepanovich	2.98	(3.32)	+2.78	(+2.44)
64	Aushev, Ruslan Sultanovich	2.96	(3.91)	+2.73	(+2.79)
65	Krasnov, Mikhail Aleksandrovich	2.94	(3.12)	+3.06	(+3.38)
66	Rokhlin, Lev Yakovlevich	2.92	-	+2.24	-
67-69	Lobov, Oleg Ivanovich	2.90	(3.30)	+0.16	(+0.83)
67-69	Nevzorov, Aleksandr Glebovich	2.90	(2.57)	-2.53	(-2.28)
67-69	Shokhin, Aleksandr Nikolayevich	2.90	(3.57)	+3.15	(+3.28)
70	Blagovolin, Sergey Yevgenyevich	2.89	-	+1.29	-
71-72	Davydov, Oleg Dmitriyevich	2.88	(2.43)	+3.18	(+2.96)
71-72	Filatov, Sergey Aleksandrovich	2.88	(3.26)	+1.56	(+2.48)
73-74	Volskiy, Arkadiy Ivanovich	2.85	(2.79)	+3.17	(+3.14)
73-74	Shafranik, Yuriy Konstantinovich	2.85	(3.08)	+2.48	(+3.00)
75	Nikolayev, Mikhail Yefimovich	2.81	(2.73)	+2.86	(+2.11)
76	Zadornov, Mikhail Mikhaylovich	2.80	(3.13)	+3.34	(+3.51)
77-78	Abdulatilov, Ramazan Gadzhimuradovich	2.77	(3.30)	+2.98	(+3.42)
77-78	Baburin, Sergey Nikolayevich	2.77	(3.83)	-0.78	(-1.42)
79	Gaydar, Yegor Timurovich	2.75	(3.72)	+2.44	(+3.15)
80	Mostovoy, Petr Petrovich	2.74	-	+2.41	-
81	Shumeyko, Vladimir Filippovich	2.70	(3.35)	+1.39	(+1.29)
82	Mikhaylov, Viktor Nikitovich	2.68	(2.15)	+2.85	(+1.96)
83-84	Zaveryukha, Aleksandr Kharlampiyevich	2.67	(3.30)	+0.62	(+0.90)
83-84	Stepanov, Viktor Nikolayevich	2.67	(2.88)	+2.42	(+2.97)
85-86	Golembiovskiy, Igor Nestorovich	2.65	(3.11)	+2.94	(+3.37)
85-86	Titov, Konstantin Alekseyevich	2.65	(2.68)	+3.22	(+2.67)
87-90	Babichev, Vladimir Stepanovich	2.63	(2.49)	+2.21	(+1.04)
87-90	Rakhimov, Murgaza Gubaydullovich	2.63	(2.91)	+2.21	(+3.00)
87-90	Ryzhkov, Nikolay Ivanovich	2.63	(3.06)	-1.25	(-1.48)
87-90	Yarov, Yuriy Fedorovich	2.63	(2.94)	+3.00	(+2.67)
91	Likhachev, Vasiliy Nikolayevich	2.61	(1.71)	+3.00	(+2.68)

		AVERAGE POINTS without mark of influence		AVERAGE POINTS with mark of influence	
92	Prokhanov, Aleksandr Andreyevich	2.57	(2.87)	-2.84	(-2.50)
93	Varennikov, Valentin Ivanovich	2.54	-	-2.85	-
94	Pak, Zinoviy Petrovich	2.53	(2.15)	+2.55	(+2.63)
95	Kuzyk, Boris Nikolayevich	2.50	-	+3.11	-
96-97	Kovalev, Sergey Adamovich	2.48	(3.12)	+1.79	(+2.31)
96-97	Medvedev, Sergey Konstantinovich	2.48	(2.78)	+1.79	(+2.17)
98	Gromov, Boris Vsevolodovich	2.45	(2.24)	+2.29	(+2.24)
99-101	Kovalev, Valentin Alekseyevich	2.43	(2.83)	+2.24	(+1.48)
99-101	Lapshin, Mikhail Ivanovich	2.43	(2.72)	-0.91	(-1.35)
99-101	Rogozin, Georgiy Georgiyevich	2.43	(2.66)	-0.27	(+0.05)

© NEZAVISIMAYA GAZETA, "Vox populi" Service, 1996.

The public opinion study service "Vox populi," jointly with NEZAVISIMAYA GAZETA and on its order, continues to determine on a monthly basis the first 100 of the most influential Russian politicians, indicating their ranking (from 1 to 100) and the average points recording the "weight" of each of them—both with and without the mark of influence (positive or negative) on Russia's domestic and foreign policy in the past month.

Besides the politicians considered leading in March, the preliminary list included another 49 names of state and public figures who actively showed their worth in April. The degree and mark of their influence, as always, were determined by experts—directors of central mass media, well-known commentators and politologists.

A 10-point scale was used for the rating. If a politician did not play any role at all in the past month, he was given a zero rating. Based on the average points—with and without the mark—a list was compiled of Russian politicians who, from the standpoint of experts, had exerted the most influence on Russia's politics. The survey was conducted from 22 to 24 April.

In April, 10 people were added for the first time to the 100 most influential Russian politicians: **Igor Malashenko** (36), director of Independent Television [NTV] and member of the presidential election team; **Vyacheslav Trubinkov** (39), director of the Federal Foreign Intelligence Service; **Valentin Kuptsov** (40-41), first deputy chairman of the Central Executive Committee of the Communist Party of the Russian Federation; **Eduard Sagalayev** (47), chairman of the All-Russian State Television and Radio Broadcasting Company [VGTRK]; **Aleksandr Kazakov** (49), chairman of the State Committee for the Administration of State Property; **Lev Rokhlin** (66), chairman of the State Duma Committee for Defense; **Sergey Blagovolin** (70), general director of the Public Russian Television; **Petr Mostovoy** (80), chairman of the Federal Administration for Insolvency (Bankruptcy) Affairs; **Valentin Varennikov** (93), chairman of the State Duma Committee for Veteran Affairs; and **Boris Kuzyk** (95), assistant to the president of the Russian Federation for military-technical matters. Four politicians also newly joined the first 100: **Viktor Mikhaylov** (82), minister for atomic energy; **Vasiliy Likhachev** (91), deputy chairman of the Council of the Federation; **Zinoviy Pak** (94), chairman of the State Committee for Defense Industries; and **Boris Gromov**, one of the leaders of the "My Fatherland" movement.

Last month, the following left the list of the first 100: Nikolay Gonchar, Aleksey Bolshakov, Artur Chilingarov, Nikolay and Boris Fedorov, Valentin Lazutkin, Boris Pastukhov, Vladimir Isakov, Valentin Chikin, Stanislav Govorukhin, Aleksandr Khandruyev, Sergey Yushenkov, Aleksandr Rutskoy, and Irina Khakamada.

The list of state and public figures who, in the opinion of experts, made the maximum **positive** contribution to Russian domestic and foreign policy was this:

1	Yuriy Luzhkov, mayor of Moscow	+6.53
2	Boris Yeltsin, president of the Russian Federation	+6.36
3	Viktor Chernomyrdin, chairman of the Russian Federation government	+6.33
4	Yevgeniy Primakov, minister of foreign affairs	+5.09
5	Mintimer Shaymiyev, president of Tatarstan	+4.96
6	Yegor Stroyev, chairman of the Council of the Federation	+4.77
7	Aleksandr Livshits, assistant to the president of the Russian Federation	+4.58
8	Vyacheslav Trubinkov, director of the Foreign Intelligence Service	+4.52
9	Sergey Dubinin, chairman of the Central Bank	+4.48
10	Aleksiy II, patriarch of Moscow and all of Rus	+4.41

First, one should pay attention to the fact that according to the results of the April examination by experts, Boris Yeltsin was in second place in the 10 political "heroes" of the month: his average score with the mark of influence increased from +5.29 (in March) to +6.36. Second, last month the director of the Foreign Intelligence Service, Vyacheslav Trubinkov, for the first time ended up not only in the first 100 leading politicians (not counting the mark of influence) but also in the 10 of those who exerted the most positive influence.

The list of politicians who exerted the greatest negative influence on the course of political events last month is as follows:

1	Dzhokhar Dudayev, president of the Chechen Republic	-6.59
2	Pavel Grachev, minister of defense	-4.00
3	Vladimir Zhirinovskiy, leader of the Liberal-Democratic Party of Russia	-3.93
4	Aslan Maskhadov, chief of staff of Dudayev's armed formations	-3.36
5	Valentin Varennikov, State Duma committee chairman	-2.85
6-7	Aleksandr Prokhanov, editor-in-chief of the newspaper ZAVTRA	-2.84
6-7	Viktor Anpilov, leader of the Russian Communist Workers' Party	-2.84
8	Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation	-2.76
9	Mikhail Barsukov, director of the Federal Security Service	-2.65
10	Aleksandr Nevzorov, deputy of the State Duma and television journalist	-2.53

One can also say about Valentin Varennikov that he not only augmented the first 100 of Russia's most influential politicians but he also immediately ended up in the first 10 Russian political "anti-heroes" of last month.

The experts' responses to additional questions concerning the upcoming presidential election are presented below (in percentage of the total number of those surveyed: 54 in February, 54 in March, 54 in April):

Who among Russian politicians now has the best chance to win in the election for president of Russia in June?

	February	March	April
Boris Yeltsin	46	52	60
Gennadiy Zyuganov	43	30	21
Grigoriy Yavlinskiy	3	6	2

	February	March	April
Other politicians	5	2	0
Found it difficult or refused to answer	3	10	17

Will the politician having the best chance win in the first round of voting or in the second?

	February	March	April
In the first	11	11	12
In the second	80	69	67
Found it difficult or refused to answer	3	20	21

In analyzing the dynamics of the experts' responses, one can note that on the whole the last ones all rate Boris Yeltsin's chances for victory higher and Gennadiy Zyuganov's lower. Whereas in February an actual parity of forces of both favorites in the election race was observed, two months later the current president, according to experts' ratings, has surpassed the leader of the KPRF almost three to one. No other real contenders for the presidency are seen: only one of the experts named a candidate other than Yeltsin and Zyuganov—Grigoriy Yavlinskiy. It is curious to note that in three months the number finding it difficult to answer the question has not grown as much as the number simply not responding to the questions given. One can assume that some experts are getting tired of responding, since it is perfectly clear to them that Yeltsin will win in the end, and this will happen in the second round.

Military Issues

Russia: Deputy Minister Welcomes Pro-Defense Industries Decree

LD0905132596 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 9 May 96

[From the "Novosti" program]

[FBIS Translated Text] On the eve of the Victory Day holiday, the Russian president signed a decree directed at improving the situation of Russia's defense industries. Andrey Kokoshin, first deputy defense minister, comments on the decree.

[Anton Vernitskiy] The president's decree, which is entitled "Primary measures in support of defense sector enterprises," first and foremost proposes the deferment of tax payments by defense factories.

[Begin Kokoshin recording] This decree enables us first and foremost to preserve, of course, the innermost core of the defense sector and will give us the chance, as they say, of keeping our heads above water, getting our breath, and freeing ourselves of the weight that was dragging us to the bottom. [end recording]

[Vernitskiy] The decree envisages cancelling the state's debt to enterprises incurred by the state order for 1995-96.

[Begin Kokoshin recording] I believe that this decree will, as they say, release trillions and trillions of rubles which will, in various ways, be available for support for the defense industry. The decree looks to the long-term. I think it will last for at least two or three years as a standard. Perhaps then some amendments will be made to current legislation. [end recording]

[Vernitskiy] Just like him, according to the deputy defense minister, this decree will be appreciated by the directors of defense factories. All the more so since virtually every word in the decree has been discussed with them in advance. Anton Vernitskiy, ORTV in cooperation with VoyenTV.

Russia: Federation Council To Reconsider Law 'on Defense'

LD0905130296 Moscow ITAR-TASS World Service in Russian 2256 GMT 8 May 96

[By parliamentary observer Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 9 May (Itar-Tass) — The law "On Defense" will be reconsidered and, it is thought, adopted by the Federation Council at its next sitting, after the Victory Day celebrations. A new version has been produced jointly by a tripartite commission made up of representatives of the Russian Federation [RF] president [Yeltsin] and of both chambers of the Federal Assembly.

The law's history is quite complicated, an ITAR-TASS observer was told at the Federation Council's Committee on Security and Defence Issues. The first version drafted by the State Duma last autumn, was rejected by the upper chamber but the Duma overturned the veto. Even so the RF president did not sign the draft and made a number of substantive criticisms of it. Specifically, he drew attention to the fact that the law established a system of measures on preparations for the defense of the Fatherland but said nothing about actually carrying out any defense against armed attack. Nor did it mention the integrity and inviolability of the country's territory as things to be defended. The law laid down that the president carried out the "general direction" of the Armed Forces.

In the opinion of Boris Yeltsin, the president, who is the supreme commander in chief, should carry out direction "in full measure, while the minister should have powers only as regards to managing the armed forces".

Parliamentary experts and members of the State Duma's Committee for Defense point to "the great significance of the law at the present stage of military development [Russian: Voyennoe stroitelstvo], in which there are no official guidelines or a military reform program." The law lays down the foundations and the organization of the country's defense; the powers of the central state organs of power and the component parts of the federation; [the powers] of organizations and officials; the rights and obligations of citizens as regards defense; and the forces and means mustered for that purpose, as well as liability for violations of the legislation in that area. Defense is taken to mean "the system of political, economic, military, social, legal, and other measures to prepare for armed defense, as well as the armed defense of the RF and the integrity and inviolability of its territory".

It is acknowledged to be important that the law confers on the Defense Ministry and the general staff powers to coordinate the development of all power [Russian: Silovykh] structures [bodies which ultimately rely on coercion] and to involve them in the defense of the Fatherland and preparations to that end.

Federal Assembly

Russia: Legislative, Regulatory Documents 28 Apr-4 May

96P50078

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

NOTE: ROSSIYSKAYA GAZETA ANNOUNCED ON 27 APRIL THAT IT WOULD NOT BE PUBLISHING AGAIN UNTIL 5 MAY.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Chernomyrdin-Signed 28 February Decree No. 292 On Allocating R4.2 Billion To Kaluga Oblast To Fund Construction Of Gas-Distribution Networks. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (50)

Chernomyrdin-Signed 12 April Government Decree On Revaluation Of Oil Extracting And Refining Organizations' Fixed Assets. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Ap 96 p 3) (250)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Chernomyrdin-Signed 6 March Government Decree On Allocation Of R2OO Billion To RF Prosecutor's Office Organs From Federal Budget's 'Other Expenditure' To Finance Implementation Of Federal Law 'On Russian Federation's Prosecutor's Office.' (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (50)

Chernomyrdin-Signed 23 March Government Directive No. 452 On Acquisition, And Terms Thereof, Of UK Investment Credit To Finance Purchase Of Mining Equipment By Russian Coal Mines. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (350)

Chernomyrdin-Signed 3 April Government Directive No. 533 On Acquisition, And Terms Thereof, Of Investment Credit From German Banks To Finance 'Metrovagonmash' Purchase Of Equipment To Manufacture New-Generation Metro Cars. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (150)

Chernomyrdin-Signed 23 April Government Decree No. 501 On Urgent Measures To Implement Decisions Of RF President Aimed At Eliminating Aftermath Of October-November 1992 Ossetia-Ingushetia Conflict. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (1300) (Text)

Chernomyrdin-Signed 24 April Government Decree No. 506 On Procedure For Financing Expenditure On Implementation Of RF Law On Social Protection For Citizens Who Suffered Exposure To Radiation As Result Of Chernobyl Catastrophe, Accompanied By Text Of Said Procedure. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 96 p 3) (350/850)

SECTION III: SCIENCE AND TECHNOLOGY

Regional Affairs

Russia: Yeltsin: Chechen Peace Treaty Possible Before Elections

LD1005100896 Moscow ITAR-TASS World Service in Russian 0845 GMT 10 May 96

[By ITAR-TASS special correspondents Sergey Trofimov and Andrey Shtorkh]

[FBIS Translated Text] Znamensk (Astrakhan Region), 10 May (ITAR-TASS) — Talks are essential to achieve peace in Chechnya. Russian President Boris Yeltsin said this today at a meeting with the citizens of Znamensk, the township next to the no. 4 [Kapustin Yar] central state test range. The head of state stressed that it is with this aim that he intends to visit the Chechen Republic in the near future. "I am convinced that it is necessary to bring to the negotiating table the federal authorities, the present government headed by Zavgayev and also the opposition, and sign a peace treaty."

Boris Yeltsin noted that such a document could be signed by the start of the Russian presidential elections. As far as the restoration of law and order is concerned, he believes that this should be done by the Chechen police.

Russia: Chechen Premier Zavgayev Speaks at Victory-Day Commemoration

LD0905124096 Moscow ITAR-TASS in English 1202 GMT 9 May 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, May 9 (Itar-Tass) — A ceremonial sitting and dinner marking the 51st anniversary of the Victory was held in the House of Government in Chechnya's capital Groznyy on Thursday. The event, with the participation of more than 150 war veterans, was attended by Head of the Chechen Republic Doku Zavgayev, Chairman of the Chechen Government Nikolai Koshman, Russian Government Plenipotentiary to Chechnya Nikolay Fedosov, Commander of the Federal Troops in Chechnya General Vyacheslav Tikhomirov and other Chechen government and legislature officials.

Speaking at the meeting, Zavgayev congratulated Great Patriotic War veterans and the Chechen people on the holiday and expressed the hope that peace would be re-established in the republic soon.

Zavgayev said that the war against the Chechen people was launched by "a small circle of political adventurists" who managed to "drive a part of the population onto a false path."

The Chechen people should draw conclusions from the tragedy and give a legal assessment of the developments. This is the only way to avoid repetition of what has been passed, he said.

The Chechen leader noted that the Russian President's decree on legal guarantees for rebels was very important for the stabilisation of the situation in the republic.

Zavgayev said that Chechnya was planning to restore and rebuild at least 4,500,000 square metres of housing and create up to 3,000 jobs by the end of this year.

Solving problems of Great Patriotic War veterans will be a priority guideline of the Chechen government's activities, he noted.

Veterans who spoke at the meeting favoured strengthening friendship between the Chechen and Russian peoples and bringing up the young generation in the spirit of patriotism.

The dinner in the House of Government was accompanied by a concert of local performers.

A festive event was also being held at Dinamo stadium in Groznyy. However, in connection with the Urus-Martan tragedy which killed civilians, the authorities decided to shorten the programme of the festivities.

Holiday events with military parades also took place at the federal troop main base in the village of Khankala (near Groznyy) and at Severnyy airport.

Russia: Future of Post-Dudayev Chechnya Pondered

MM0905150396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 May 96 p 3

[Article by Rafael Guseynov: "Bomb for the President-General. Following Dudayev's Death His Colleagues Set About Dividing Up the Spoils"]

[FBIS Translated Text] The rebel general is in his grave. His soul has ascended. I do not think it has gone to heaven. Those who send thousands of people to certain death, promising them paradise in the next world, are unlikely to end up there themselves.

The details of his death are horrific. I was told by one of Doku Zavgayev's deputies who, in turn, was citing an actual witness of the drama, that the missile strike was incredibly accurate, or, to be more precise, of pinpoint accuracy. The first missile struck the roof of the "Niva" vehicle. Two more mashed the bodies to a pulp. The mountain clearing, covered with the first grass of spring, was literally awash with blood. They could not find the head of one of the bodies. There were four people in the vehicle: Dhzokhar Dudayev sat next to the driver, with Magomed Zhakiyev, military prosecutor in the Dudayev government, and Khamid Kurbanov, Dudayev's former representative in Moscow, behind. The president-general's body was identified, but with difficulty. Dudayev was not buried in the cemetery specified by his comrades. Expecting that there would be many people in Russia wishing to take a look at his corpse, it was agreed with Dudayev's family that his body should be committed to the earth high in the mountains, in a village cemetery. This explains the delayed announcement of his death. It was decided that he would remain there until a better time, when the "possibility of a fitting reburial" arose. Dudayev was buried in accordance with Muslim rites, with a mullah reading prayers over his grave. His closest colleagues on their own initiative introduced an unplanned automatic weapon salute into the ceremony. After all, Dzhokhar Dudayev was a Russian, or, to be more accurate, a Soviet general.

So the federal authorities are unlikely to be able to identify the remains of the rebel general in the immediate future. Knowing the Chechens' mentality, I can confidently say that even those who fought against Dudayev when he was alive are not going to allow his corpse to be defiled — autopsies are prohibited by Muslims.

But what is important today is not the circumstances of the general's death, but the reasons why he was able to exist for so long as a political leader. Another equally important question is: What does the future hold for Chechnya?

But let us start with the second. The morale of the already fragmented detachments of gunmen is ebbing and will continue to ebb. The two most authoritative field commanders are Gelayev and Basayev. The first is essentially a crime boss with a considerable jail record. For him the war is not a fight for an independent homeland, but a means of remaining at large for as long as possible. As for Shamil Basayev, the experience of war in Abkhazia, the Turkish and Afghan instructors, and, certainly, his own composure have made him a particular type of cruel and treacherous commander with a traditional guerrilla mentality. The media and some politicians have created an heroic aura for him and fueled political ambitions, and, apparently, he believes he has a mission.

Chief of Staff Aslan Maskhadov is the only professional soldier in Dudayev's entourage. He was unexpectedly promoted to the post of chief negotiator for the Dudayevite side and he skillfully played the part of one who was on the point of yielding and surrendering to the mercy of the victors. But he did not yield and he did not surrender. He has played his part and is now stepping aside.

Zelimkhan Yandarbiyev, member of the Soviet Writers' Union, who has taken Dudayev's place, was known in the stagnation years as a man who would propose splendid toasts about friendship. It did not matter whether he was toasting friendship between peoples or between a man and a woman, he was a good speaker.

Never having played a serious part as vice president, a stranger to many field commanders who have sprung up in recent years, Yandarbiyev nonetheless was the person who acted for Dzhokhar Dudayev. Almost constantly in Jordan or Turkey, surrounded by bodyguards, morose and suspicious, Yandarbiyev controlled a large part of the Dudayev regime's bank accounts, which had been transferred abroad as a precaution. Familiar to most television viewers dressed as a Russian assault trooper and wearing the Astrakhan hat of the true Muslim, Yandarbiyev prefers expensive French suits and de luxe hotel suites when he is abroad. A source in a Russian special service told me that Yandarbiyev also organized financial assistance for the Dudayev regime. The money came not only from rich Arab countries, but also from the West. States in the former Soviet Baltic area traditionally loyal to Dudayev serve as a transit point in the money-laundering process. Apparently, Yandarbiyev also handled the selection of mercenaries and their transfer to Chechnya.

It is also said that Yandarbiyev possesses the notorious dossier on major Russian politicians which Dudayev threatened to make public in the event of his death. There is information to the effect that Yandarbiyev was au fait with the financial transactions and skullduggery involving those who are currently lusting after Dudayev's position, swearing to the Chechen people that they are pure in mind. In the course of the power struggle that broke out following Dudayev's death, Yandarbiyev hinted at some of the facts known to him. This all but cost him his life, while his nephew, acting as his personal bodyguard, was killed outright. Therefore, it took Yandarbiyev a while to ensure his own safety, and only then did he announce that he was alive.

Matters of a purely mercenary nature largely determine relations in the Dudayevite elite. The "fighters for independence" keep a close eye on each other's incomes, particularly when it comes to dividing up what can still be divided up in hapless, ravaged Chechnya.

We know, for example, that Salman Raduyev owed his associates a great deal after the Pervomayskoye raid and did not want to share what he had earned, so that is probably why he was killed. We know about Aslan Maskhadov's great personal drama, when an oil rig that was being operated for him turned out to be in the zone controlled by the federal forces.

I believe that, given the circumstances, the leadership in post- Dudayev Chechnya will be a collective one in the immediate future.

Dzhokhar Dudayev's death did not cause gnashing of teeth in Chechnya. Having punctiliously performed the funeral rites and the ritual dance, the zikr, the majority of Chechens thought not of revenge, but of what would happen now.

I am profoundly convinced that the Chechen people will remember the general as a man who left behind thousands of orphans, ashes instead of villages and cities, and mutual hatred. He will be remembered as a leader who pushed his people into senseless carnage, who caused the Chechens to fall out not only with the Russians (and that will be felt for a long time to come), but also with Caucasian neighbors.

Few people in Russia will feel sorry for Dudayev. Only Boris Yeltsin's political opponents playing that card, and Madam Novodvorskaya, who had room in her heart for three men. Two of them — Gamsakhurdia and Dudayev — are dead; the third, Konstantin Borovoy, thank goodness, is alive, but was deprived a few days ago of the power of speech by Gennadiy Seleznev. And deservedly so. The failed businessman and not very honest politician is keen to leave behind a whiff of scandal. While he was assiduously articulating General Dudayev's ideas in newspapers, Borovoy did not even notice that he had become the general's tool. Actually, if you believe the Russian special services' barely veiled hints, it was Konstantin Natanovich who unsuspectingly played a crucial role in Dzhokhar Dudayev's fate.

To appreciate why Dudayev lasted for so long, you have to remember that he did not arrive of his own accord. He was all but led by the hand by Ruslan Khasbulatov. Everyone in the republic, including the profoundly deaf in mountain settlements, knew about the great male bond between the speaker and the general, just as they knew about the enmity between Khasbulatov and the then leader of Chechnya Doku Zavgayev.

When he became president, Dudayev did not cease to be a general and, instead of following the recommendations to strengthen the autonomous republic's agriculture and follow Burbulis' example in Russia and develop democracy, he set about forming an army that was openly hostile to Moscow. He paid special attention to making conditions intolerable for Russians living in Chechnya.

With the passage of time you realize that another lesson of the failures in the Chechen campaign is the transparent Russian borders in the Caucasus. No single army in history has ever gained victory with an exposed rear. Mercenaries, weapons, drugs, and money flow freely and unchecked across the Russian borders in both directions. Yet Dudayev could have been beaten long ago by cutting off his ammunition supplies. But all this was getting and continues to get to the bandits without a hitch. Witnesses say that automatic weapons produced by Russian plants only last year have been found on dead Dudayevites.

Or take the mystery that no one remembers for some reason. How was Yandarbiyev able to get to Chechnya quickly when he was in Jordan at the time of Dudayev's death? How did he cross first the border of a foreign state, then the Russian border, and then the Chechen administrative border? No one can tell me that he crossed these border in a balloon or by using an Aqualung. Incidentally, it is not the first time all this has happened; it is a regular thing.

There is another problem that must be mentioned. It seems to me that, strictly speaking, no one except for Yuriy Luzhkov is working with the large Chechen community in Russia, which is capable of exercising a substantial influence in the Dudayevites. I talked with one of these people, who heads a Russian-German joint venture and is a resident of Moscow.

"Yes," he said, "we regularly send off sackfuls of money for Dudayev. Once, when I was late doing it, I was telephoned by my sister, who lives in a suburb of Groznyy. She was in tears and she said that strangers had come to her house, shot her sheepdog, and said that next time I was late 'doing my duty' they would shoot her children. Tell me, are they really Muslims, are they really human beings?

"Few people remember today that when he was blockaded in Budennovsk Shamil Basayev impassively refused to discuss the problems which Chechens living locally might possibly be facing at that time. 'They are your Russian citizens, so do with them what you will.' That is what he said. And they were people whose lives were in jeopardy. Following this I asked for an appointment with an influential Russian official and suggested printing at my expense hundreds of thousands of leaflets bearing this statement, delivering them to Groznyy on aircraft leased by me, and distributing them all over Chechnya. My interlocutor listened attentively, smiled broadly, and suggested that an aircraft be used to deliver a cargo of humanitarian aid to Chechnya. But not the entire cargo. The rest had to be sold in Moscow and the money shared.

"Obviously, Russian business today is a dirty business, but there is a limit."

The war with Chechnya has raised many questions about our relations with neighboring states, and also with those that only recently were part of the USSR, but that are now appropriately or inappropriately stressing their independence, while forgetting to pay for Russian gas and oil.

For instance, the Lvov authorities have named a street for Dudayev. And the Council of Europe, at the suggestion of Lithuanian Deputy Landsbergis, observed a minute's silence in memory of Dudayev. Probably this is not political childishness, but an insult to the memory of thousands of people of all nationalities who have died in Chechnya.

As a rule, ethnic questions are made particularly acute by the religious factor and traditions and customs, in this case, of the peoples of the Caucasus. In this connection, it seems inexplicable to me that there is no one in the current apparatus of Boris Yeltsin's closest advisers who is dealing purely with Muslim matters, who has frequented that society or, better still, was raised in it.

(Unlike the apparatus of another great power, that of Clinton, in which all ethnic nuances are carefully taken into account).

Indeed, Russia is a country in which the majority of the Muslims living here are not brigands, are not market traders, and do not slaughter Orthodox believers having offered prayers to their God. These people are living and doing an honest job of work all over Russia, paying their taxes promptly, and sending their children off to join the Army.

...The death of Dzhokhar Dudayev brought to an end one of the most terrible and bloodiest chapters in Russia's contemporary history. What will future chapters be like?

Russia: Urus-Martan Not Struck by Federal Helicopters 'on Purpose'

LD0805144996 Moscow INTERFAX in English 1412 GMT 8 May 96

[FBIS Transcribed Text] MOSCOW/GROZNYY, May 8 (Interfax) — Federal combat helicopters did not strike at the Chechen town of Urus-Martan on purpose, a high-ranking representative of the army aviation command told Interfax in Moscow Wednesday.

He said the strike was made at vehicles carrying separatists from Urus-Martan to Goyskoye, where federal units were engaged in an operation against Chechen gunmen.

"There were 15 KamAZ trucks carrying several hundred gunmen, and it was clear they were hurrying to Goyskoye to rescue the separatists," he said.

After the air strike, the separatists "opened fierce fire on the helicopters. They used both firearms and grenade launchers. The trucks were destroyed after a short battle, and the gunmen were dispersed," said the officer.

He thinks the shells which hit Urus-Martan were fired by gunmen during the fighting. "The combat helicopters made only precision strikes," stressed the command representative.

Meanwhile, Chechen Deputy Prime Minister Abdula Bugayev told Interfax hasty conclusions should not be made before the investigation is completed. The incident is being studied, and there is plenty of controversial information, he said.

Bugayev described the incident as a provocation aimed to break up the peaceful settlement in the republic.

According to information from the Chechen government, there were two strikes at the town of Urus-Martan on May 7: one on the town's outskirts on the side of Groznyy, where two cars were burnt and two people were killed by missiles, and the other at the local market on the town outskirts on the side of the village of Gekhi. The shelling killed three and wounded five persons.

Federal troops have full control over the settlement of Goyskoye, a representative of the federal troops' staff in Chechnya told Interfax Wednesday. They gained control over the settlement on May 7. "The gunmen forced out of the settlement have not tried to seize Goyskoye again," he said

During the operation in Goyskoye, several dozen Chechen gunmen were killed, and a foreign mercenary was captured. "The federal troops did not suffer any losses during the operation," said the staff representative.

Russia: Amur Oblast Local Election Results Analyzed

MM0905135296 Moscow ROSSIYSKIYE VESTI in Russian 7 May 96 p 2

[Report by Nikolay Belyy under the "Local Authorities" rubric: "Musical Chairs in the Amur Region"]

[FBIS Translated Text] Blagoveshchensk — The idea of holding immediate elections of representatives of organs of self-government, which had long been in the Amur authorities' mind, has at last been successfully put into effect. In accordance with a decision of the oblast's Legislative Assembly passed last year, elections have been held in 20 rayons and almost 300 mainly rural population centers in Amur Oblast.

Several hundred deputies who are well acquainted with the problems of the Amur region, which is fighting to survive under the conditions of reform, won a vote of confidence at the grass roots and have taken their seats actually in the local organs of self-government. The people of the Amur region have been pioneers in holding "new-style elections," being among the first to do so in the Far East region.

The election results are seen differently by local analysts and the election organizers themselves. This undoubtedly important political event has, however, generated more questions than answers, bringing, moreover, unexpected political results to the conservative Amur region. The pretty poor success rate of the Communist Party of the Russian Federation candidates is probably the big story here. Only 32 of the 385 deputies elected are sponsored by Communist Party organizations, which suggests far-reaching conclusions. First, more candidates with democratic convictions won seats in local organs of self-government where you have, even if only a few, really dynamic people from Russia's Democratic Choice, Russia Is Our Home, and the many other parties and movements of reformist persuasion. Like, for example, in Konstantinovskiy Rayon, one of the oblast's leading agrarian rayons, where, strange though it may seem, Gaydar's supporters led by Vasiliy Malyshenko, leader of the local Russia's Democratic Choice organization and chief of the rayon inspectorate of Gostekhnadzor [expansion unknown], occupy a strong position.

The second conclusion is that the democrats should not kid themselves over the victory — the Communists seem to have regarded the elections to local organs of self-government as of minor importance. They are counting on the Russian presidential elections: If they win, they plan to junk the new concept of local self-government. They also have a contingency plan. Many of them are already now, when the local-level representative authority is just starting to operate, casting doubt on its legitimacy.

The problem is that the oblast legislative assembly has still not, according to Yuriy Lyashko, head of the Blagoveshchensk administration, for example, adopted a number of laws on municipal formations in the Amur region which are fundamental to the activity of the representative organs of local self-government, including laws demarcating areas of jurisdiction, sources of revenue among the municipal formations, vesting these organs with the powers of a component of the Russian Federation, the revenue sources of local budgets, and so forth. And Article 1 of the Federal Law "On Common Principles Governing the Organization of Local Self-Government in the Russian Federation" instructs the regional authorities to determine with the municipal formations where they stand, legally speaking. According to the law, an urban settlement, a rural settlement, several settlements joined by common territory, part of a settlement, or a populated territory where local self-government is carried out by people and where there is municipal property, a local budget, and elected organs of local self-government can belong to them. It is the sole responsibility of the citizens of municipal formations, and is their constitutional right, to decide how they should live and to examine questions which do not fall within the system of the organs of state power. And they do not have to do what anyone says provided the municipal formation's charter, adopted on the basis of the Russian Federation Constitution and federal and regional laws, is in order. Under the Russian Constitution, the inhabitants are entitled to determine the territory of the municipal formation themselves — at assemblies, by referendums, and so forth.

But this is precisely what has not been done in the Amur region. No one asked people how they would like to live today and what kind of local "community" would suit them best. The new idea of elections was simply superimposed on the old territorial division set-up. Now, when the elections have been held and considerable resources spent on them, voices are heard asking what the hundreds of deputies have actually been elected to? To nothing? But what if, again in accordance with the people's constitutional will, the "division" of the former territories of rural, settlement, and rayon soviets and their property starts up? Such a prospect is particularly realistic for the Baykal-Amur Railroad, according to some, where many communities are capable of organizing people's lives, supporting themselves, and managing their part of the budget on their own. And the cities, major population centers, rayons, and villages of the Amur region have not had their say. The elections of heads of local self-government of cities and rayons of the Amur region are next in line. Given the current situation, the newly elected officials could, according to the mayor of the administrative center of the Amur region, be in the position of generals without troops.

According to the opponents, then, electoral haste has resulted in the cart being put before the horse. I. Lyashko, the aforementioned mayor, is convinced that this reckless expression of will was carried out to satisfy political ambitions. Inevitable lawsuits will follow in some if not all the 288 territories of rural soviets defined by the Amur Oblast Legislative Assembly. The newly elected representative organs of local self-government will inevitably either take up "battle positions" in the struggle for a place in the sun or, for lack of time, set about their own direct business.

What do the new Amur-style "elections" have in largest supply: provincial delusion, political intrigue, flouting of laws, a desire to retain the Soviet electoral system at any price? Or perhaps the calculation that, having lost the elections politically, certain forces will then be able to repudiate them in this way? There is plenty of everything, it seems.

Russia: Maritime Kray Calls For Support for Trade With China

MM0905091596 Moscow DOM I OTECHESTVO in Russian 7-12 May 96 pp i, iii

[Report by Valentina Bratchikova: "Following Visit: Nondivisive Wall of China"]

[FBIS Translated Text] Vladivostok — ROSSIYSKAYA GAZETA published Boris Yeltsin's proposals for a long-term program of Sino-Russian cooperation 30 April. These were no election stunt, but concrete objectives that business people were asked to achieve. Mutually beneficial cooperation with our neighbor is already bearing fruit in the form of good, real deeds, particularly in the Far East. Our correspondent's report deals with how the two great states' cross-border trade and economic ties are developing in Maritime Kray.

Anyone who visited Vladivostok seven or eight years ago would have difficulty today in recognizing the old, romantic, but extremely dilapidated great port city. It is as if the hand of an experienced makeup artist had ironed out the ancient, untended wrinkles in the streets and given the crumbling old buildings a face-lift. Some of them — the former Chelyuskin Restaurant, for instance, which architects have turned from a ruin into the fine modern Versailles Hotel, and others — have long since become part of the kray center's new skyline, while others are still under scaffolding biding their time. Well, even Moscow was not built in a day, and here on Russia's very edge this work requires particular patience and therefore proceeds slowly, one step at a time.

But that is not the most surprising thing: For perhaps the first time in the Maritime Kray's history Chinese workers, renowned for their diligence, care, and hard work, have been assigned the lead role in this reconstruction work. It is no coincidence that many Maritime Kray companies, including such majors as Akfez and Dalmoreprodukt, are recruiting workers and specialists from the PRC to build housing and social facilities and concluding long-term contracts with them.

"This experience is not only remarkable in terms of the regularity with which it is happening," Kray Vice Governor Vladimir Stegniy told me. "Incidentally, Vladivostok is not the only example; this practice is being extensively employed in Nakhodka, where both sides have built a splendid hotel complex and a trade center, and other promising joint projects are being developed. The continuity is perhaps the most valuable thing."

[Bratchikova] "You are presumably referring to the agriculture, which Chinese peasants, who are renowned for growing large vegetable harvests and whose work is now being extensively applied in our fields, are helping us to establish?"

[Stegniy] "That too. But it has marked the beginning of the real economic cooperation between Maritime Kray and the neighboring provinces of China. In the past we went no further than trading ties, but in the current conditions there is very little left of what we had before. What is more, after the long period of stagnation in our relations we finally have the prospect of making them more multifaceted and mutually beneficial. It would be a sin not to take advantage of that.

"There are as many points of contact as you like," my interlocutor continued, "namely tourism, consumer services, joint utilization of natural resources.... Today the kray has around 300 joint Sino-Russian enterprises performing this work. But we would nonetheless like more. We do, after all, currently have a whole range of problems that require extensive international cooperation. They were discussed during Boris Yeltsin's recent visit to Beijing.

"What kind of problems are they, what attracts us to China and vice versa? First, the PRC is developing rapidly: In terms of total GDP the country is now third in the world after Japan and the United States. Moreover our neighbor's annual economic growth rate is considered the highest in the world. We import literally everything from there, from consumer goods to industrial output. But China is also keeping a careful eye on Russia today — on our raw materials, scientific and technical achievements, and technologies, which it would like to obtain in large quantities.

"It is also interested in implementing major joint projects in various spheres. It is unnecessary to say that this could provide Russians with additional jobs in the Far East, suffering as it now is from unemployment and a slump in industrial production, as well as cheap goods and products. And that is not all. Politicians believe that the 21st century will be the century of the Asia- Pacific region, that a dramatic shift away from Europe toward Asia is now being recorded. It is particularly important for Russia and China to strengthen their positions as great powers here, since their future depends on it. As for Maritime Kray, God himself has ordered us to be friends with our great neighbor. From purely pragmatic considerations alone."

According to Vladimir Stegniy, the fuel and energy crisis that has gripped the kray is insuperable: Heilongjiang Province could start delivering cheap coal — around 8-10 million tonnes per year — tomorrow. An extremely appealing offer, especially since it is more expensive to bring coal from Siberia and the Transbaykal owing to the excessive railroad charges, while here the short transport route and the Vostochnyy port capacities make it possible to handle this kind of freight flow. That is why the kray administration is now conducting intensive talks with the longshoremen and the leadership of the neighboring Chinese province regarding the possibility of putting this idea into practice. It is not ruled out that by this fall the first trainloads of fuel will start arriving in the kray.

The potential of the Maritime Kray transport infrastructure could, if it were properly organized, provide huge hard-currency profits. Take the port of Zarubino: Chinese businessmen are making no secret of their desire to make it a transit transshipment base for grain shipments to third countries in the Asia-Pacific region. There is one bad thing about this: The port's potential is severely limited. Right now it cannot process even 2 million tonnes of wheat. Sizable injections of state funds are needed, but there is the rub. Legislation, regrettably, makes no provision for any concessions for the people of the Far East and their foreign partners when conducting such operations. So Chinese freight passes through the North Korean city of Najin, which is not a very convenient route, but is suitable for transshipment owing to the legislative support provided by the authorities there. The Maritime Kray administration is asking foreign sponsors for $50,000 to produce a feasibility study for modernizing the port of Zarubino....

A similar situation is also developing with regard to our port of Posyet, which is in a beneficial geographical location for the development of international tourism, in which Russia, Japan, and South Korea could cooperate at considerable advantage to themselves. Naturally, a highly profitable business cannot emerge from nothing: At first, at least, it needs state support. Modern border and customs checkpoints and hotels need to be built in Posyet and the whole service system rejigged to accommodate foreign tourists.

"Regrettably," the vice governor remarked, "there is a trend, which we do not find entirely comprehensible, toward paying for everything ourselves. Until last year the Far East Customs Administration could count on 10 percent of the money raised from the duty payable to the federal budget. Thanks to that we built five road crossings and checkpoints on the Sino-Russian border and opened several customs posts. Today the government has decided to stop all this and make local administrations responsible for everything. They have to seek other sources of funding — which, you will agree, is quite difficult. Things that we started building a year ago are now being postponed until later. I would very much like to obtain material as well as moral support; after all, we are not making the effort for ourselves! We intend by the end of the year, for instance, to open a Zarubino-Hunchun railroad branchline, which will allow direct freight and passenger shipments between southern Maritime Kray and China. We are now awaiting a delegation from Heilongjiang, with which we intend to sign a long-term transport cooperation treaty."

What is good for Maritime Kray must also be good for the rest of Russia. It is on a long-term basis that business between our two countries can be conducted to our mutual benefit. And not just in Maritime Kray.

Economic Issues

Russia: Bank Chiefs Predict Economic Improvements

LD0905154096 Moscow ITAR-TASS in English 1245 GMT 8 May 96

[By Aleksandr Samozhnev]

[FBIS Transcribed Text] MOSCOW May 8 (Itar-Tass) — Nearly 70 per cent of the number of polled chiefs of Russian commercial banks predict the improvement of the financial and economic position of their banks in the first six months of the current year. It is expected to have more customers both from among commercial structures and state enterprises. This is shown by the results of the poll held by the Economic Situation Centre at the Russian government.

More than 50 per cent of the respondents predict the increase of profits in the second quarter of the year and only 13 per cent visualise their lowering. Two-thirds of the number of large banks plan the increase of the profit, whereas the corresponding figure for medium and small banks is 27 per cent.

Large banks will be most active in crediting various groups of clients, it became known to Itar-Tass. The advantage of large banks will be particularly marked in financing the state sector. Experts believe that in order to reduce to the minimum possible financial risks, bankers will be actively participating in the capital of privatised enterprises in order to influence their activity.

A tendency for a certain expansion of the sector of long-term crediting is expected to manifest itself in the first six months of the year. Non-return of loans will decrease. Despite a certain lessening of the profitableness of state-owned short-term bonds in the first quarter, banks will remain highly active in this area of the market, experts of the Economic Situation Centre said.

Russia: FSB Investigating Illegal Export of Dual-Purpose Material

LD0905200896 Moscow NTV in Russian 1800 GMT 9 May 96

[From the "Segodnya" newscast]

[FBIS Translated Text] And now a report on another investigation, this time in Siberia, which also threatens to develop into a major international scandal. We received this report today from Krasnoyarsk.

[Begin recording] [Correspondent] The Krasnoyarsk Territory regional directorate of the Federal Security Service [FSB] of Russia has begun criminal proceedings in connection with the illegal export abroad of a dual-purpose material from Krasnoyarsk. The sensational report appeared on air and in the press with a few inaccuracies, to put it mildly. The Krasnoyarsk Territory directorate of the FSB held a news conference at which Konstantin Moryev, an authorized FSB staffer, commented on the incident.

[Moryev] Searches which we have conducted indicate that the material taken illegally out of the country was produced in the laboratory of a scientific institute in the city of Krasnoyarsk using unique technology which has no match anywhere else in the world and which was developed in the mid-nineteen eighties as part of a state order.

[Correspondent] It was stressed to journalists that the material in question is not radioactive although it may be used in the defense industry as an insulating, high-temperature coating and comes under an act aimed at stopping leaks of dual materials and radioactive substances abroad which would damage Russia's national interests.

[Moryev] I stress again that in itself this material is not plutonium and it is not a question of another radioactive material. We are not talking about nuclear smuggling but smuggling of a new-purpose material.

[Correspondent] In the course of the conference, it also became clear that the person suspected of the crime is the director of a commercial firm in Krasnoyarsk who formerly worked in science. But in this case he figures not as the manufacturer of the material but only as its vendor. And the place of manufacture is a laboratory of Krasnoyarsk State Technical University which in addition to being attached to the university is a department of Krasnoyarsk Science Centre. Konstantin Moryev refrained from answering other questions in the interests of the investigation. Sergey Kostenko, Aleksey Divikin, Aleksandr Naritsyn, Krasnoyarsk TV and radio company "Afontovo" [names as heard], especially for NTV. [end recording]

Russia: Failure To Purchase Home Produced Aircraft Deplored

MM0905123796 Moscow RABOCHAYA TRIBUNA in Russian 6 May 96 p 3

[Report by BIZNES-TASS correspondent Valentina Alekseyeva under the "Firsthand" rubric: "'Boeing's' Shadow Over Russia"]

[FBIS Translated Text] In 1996 Russian aircraft constructors received no orders from domestic companies either for fixed-wing aircraft or helicopters. A representative of the Russian Federation Transport Ministry Air Transport Department, Viktor Samokhin, announced this.

At present the Russian pool of civilian fixed-wing aircraft and helicopters numbers 8,500 aircraft. It would take Russia 30 years to replace the aircraft pool if the quantity of orders of new aircraft remained at its 1992 level (annual order of 292 aircraft). But this figure has been steadily falling: In 1993 180 aircraft were ordered, the following year 47 fixed-wing aircraft and helicopters, and last year a total of only 28 machines. V. Samokhin noted that no money had as yet been found for the purchase of domestically produced aircraft during the current year.

The Russian Federation Ministries of Finance and the Economy have now prepared a decision on the provision of low interest credit by Vneshtorgbank [Foreign Trade Bank of Russia] for the construction of one Il-96 for Domodedovo Airport, three Tu-204's for Vnukovo, and three Tu-154's for Mineralnyye Vody Airport. Some $300 million are required for this but as yet only $100 million have been appropriated.

V. Samokhin considers that around 400 small air enterprises servicing Russia's airlines cannot afford to acquire a single aircraft on their own. They find a solution in leasing used aircraft from the Boeing company. "Aeroflot" obtained two such Boeings, "Transaero" obtained 10, and "Tatarstan Flayt," "Baykal," and "Sakhalinskiye Aviatrasy" obtained one apiece.

On the basis of predictions by specialists about the future growth in the volume of global air travel, the Boeing company recently announced that it is increasing production of all its five models of civilian aircraft from 18 to 27 aircraft a month by the second quarter of 1997.

Russia: Election Promises Economically Costly

964E1174A Moscow NEZAVISIMAYA GAZETA in Russian 18 Apr 96 p 4

[Article by T. Koshkareva, under the rubric "Expert Analysis": "Financial Stabilization Ahead of Schedule: Elections Have Already Got the Nation's Economy in Trouble"]

[FBIS Translated Text] Looking over the authorities' economic actions on the backdrop of the political battles, how can anyone not cry out along with the thinkers from TV's "Vremya": "The elections have not yet been held, but their results are already disappointing!" Although the populism of the election campaigns of each of the presidential candidates looks wholly justified from the standpoint of the laws of political struggle, the actions of the candidate who is also carrying out the functions of head of state nonetheless must be aimed not so much at the future as at solving urgent issues. Otherwise, his victory in the elections could well prove pyrrhic.

One way or another, the economic loss from keeping the social promises made to virtually every stratum of the population by the currently thriving authorities, amounted in March, according to some estimates, to 1 percent of the gross domestic product (GDP). That is how much the domestic state debt has grown, which by the end of the year totaled about 230 trillion rubles.

One of the trumps being played actively in the current authorities' campaign fight is the record low inflation. In the February-March period, according to official data, that level was less than 2.8 percent. Actually, it is this fact that has allowed official economists to talk about Russia having achieved financial stabilization. However, according to Andrey Illarionov, director of the Institute for Economic Analysis (IEA), we will only be able to talk about financial stabilization as an accomplished fact if inflation does not grow over the next six to eight months. Moreover, the RF State Committee on Statistics [Goskomstat], altered its methods for calculating in inflation in August 1995, and so now issues consistently deflated indexes. In fact, according to IEA calculations made on the basis of the methodology previously employed by Goskomstat, in March inflation was 3.5 percent.

The factor controlling inflation is the high wage indebtedness, which when paid off increased the rate of inflation by 20 percent. As of 20 February, wage indebtedness totaled R23 trillion (although debts to institutions and organizations in the budgetary sphere totaled only R12.6 trillion). According to the calculations of several economists, if all the populist promises of the current authorities are kept, including paying off indebtedness for wages and pensions and the additional funds allocated to several branches and individual enterprises and so forth, by August inflation could rise to 16-18 percent.

True, according to Finance Minister Vladimir Panskov, liquidating wage indebtedness is happening not at the expense of the budget but at the expense of attracting the funds of commercial structures and the population to state securities and of "setting aside" investment. As Mikhail Zadornov, chairman of the Duma's Budget Committee, proposed, some of the $4 billion loan from Germany and targeted loans from the World Bank ($500 million apiece) designated for the restructuring of the coal industry, the agro-industrial complex, and the social sphere could be (or has been) used to pay off the wage debt. This allowed Mr. Zadornov to draw the conclusion that wages will be paid by getting into debt not envisaged by the budget. The economic consequence of such a policy is the underfinancing of other items in the budget.

Nonetheless, Finance Minister Vladimir Panskov thought that if in March the wage indebtedness were paid off, then in April investment financing would begin. However, in April a period of paying off pension indebtedness began. According to presidential economic adviser Aleksandr Livshits, the Pension Fund will be paid a loan amounting to R4 trillion. Loans will be given to pension funds on a reimbursable basis, and the government will look for the funds for offering them in the securities market.

But even if the tendency for inflation to decline proves stable, no one can offer a recipe for halting the decline in production in Russia or for filling out the income portion of the budget. Production of industrial output for the first two months of 1996 dropped by 5 percent over the same period last year, and GDP declined in February by 3 percent over January. The reason for the stagnation (neither production nor inflation is increasing) was the economy's profound structural crisis. According to government statements, the restructuring of production, which will require enormous investments, should begin after financial stabilization. Virtually all the experts agree that on the eve of the presidential elections the government is spending money not on investments but on financing populist decisions. Private investors are cautiously awaiting the outcome of the political fight, not risking investing a ruble in the Russian economy.

Moreover, the government itself is inhibiting private investment activity by issuing high-yielding securities. The issue of whether banks would place their credit resources in the real sector if the GKO interest rate dropped is, of course, in the current situation, somewhat improper but highly indicative. Symptomatic, too, however, is the statement by Mr. Ivanov, director of the state-of-the-economy laboratory at the Institute of Economic Policy of the Transitional Period: "No one is going to exchange high-yielding investments in financial instruments for low-yielding investments in production. In addition, you have to be a madman to exchange liquid money for nonliquid machine tools in expectation of Gennadiy Zyuganov's victory." During the first months of 1996, the government issued 30 percent more securities than planned. Now at the expense of short-term government bonds (GKO), according to Mr. Khandruyev, first deputy chairman of the RF Central Bank, about R100 trillion, or nearly $28 billion, has been attracted in Russia. Citing this figure, Mr. Khandruyev referred to the mounting "appetites of the government" on the eve of the presidential elections.

Moreover, there is no money for investments for a perfectly prosaic reason: The state treasury is empty. Before the elections, many directors and entrepreneurs feel it is stupid to pay taxes. Unquestionably, this concerns oil and gas producers, who on the contrary have become significantly more disciplined before the elections, only last. Mikhail Zadornov, chairman of the State Duma's budget committee, stated at the end of March that the government is fulfilling only 60 percent of its plan for income. Thus, the level of budget income now is comparable to the level of late summer and early fall 1993, when there was also a question about power. As Finance Minister Vladimir Panskov said, for him the greatest problem "is the evasion of taxes by conducting transactions between enterprises in cash." It is hard to calculate the volumes of cash transactions, but according to the finance minister, "20-30 percent of the sum that should go into the treasury is being concealed from taxes this way." However, the main reason for the decline in income to the budget, again according to Mr. Panskov, has been the increase in budget arrears. As of 1 March, arrears for the federal budget alone totaled R41 trillion, an increase of R11 trillion over January. For the consolidated budget, arrears totaled R55 trillion as of 1 January.

As before, institutional investors, especially Western, are experiencing profound mistrust for the Russian stock market. Capitalization of the country's stock market never did manage to get close even to the $20 billion mark—the value of just one major international corporation. Waves of activity and decline in this sector of the economy are of a local nature and have no effect whatsoever on the influx of capital into the productive branches.

There are difficulties with the receipt of income from privatization as well. Late last year, in the name of saving the budget in a timely manner, a scheme for mortgage auctions was worked out. The scheme did not justify the hopes placed on it, and now its fate is in question. It is obvious now that the budget goal for income from privatization (R12 trillion) will not be met. In connection with this, government advisers are already recommending lowering the revenues to the budget from privatization by R4-5 trillion.

The conclusions from all of the above are more than sad. As a result of the political stress the country is experiencing on the eve of the presidential elections, Russia has been hit with a colossal current economic loss—a shortage of taxes collected, the flight of capital from the country, and a drop in industrial output. The political costs are high for future generations as well: The present underinvestment will inevitably have an effect on the economy's structure a few years down the line.

National Affairs

Ukraine: Kuchma Appoints Reformer as Economic Advisor

LD0905141896 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] Kiev, May 9 (Interfax) — Ukraine's President Leonid Kuchma has appointed Vladimir Lanovoy to be his economic adviser. A deputy premier in Vitold Fokin's government in 1992, Lanovoy advocates drastic market reforms.

Kuchma also appointed 43 Missile Army Commander Vladimir Mikhtyuk an assistant to Ukraine's Defense Minister. Deployed at Pervomaysk in the Nikolayev region, the 43 army is an element of the republican Strategic Missile Force.

One more newly appointed defense minister's assistant is Vice-Admiral Vladimir Bezkoravainyi, the republican navy commander.

And yet another appointee Andrey Litvin will assist the Finance Minister. Earlier, he was in charge of the Finance Ministry's Main Department.

Ukraine: Lazarenko Views Economic, Political Issues

AU0905165196 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 23 Apr 96 pp 1,2

[Interview with Ukrainian First Deputy Prime Minister Pavlo Lazarenko by Lyudmyla Blyshchyk; place and date not given: "I Am an Advocate of the 'Command Style,' Provided That It Has the Backing of an Efficient Team of Like-Minded People"]

[FBIS Translated Text] [Blyshchyk] It is no secret that, in recent years, the control of gas has been quite actively used in the Russian policy regarding Ukraine as an argument that had an unfailing effect. I remember how, in one of his speeches, Boris Yeltsin illustrated with an eloquent gesture how to deal with the restless neighbor. Since that time, our state's dependence upon the traditional market of energy sources has not diminished. We will still be tied up to the Russian mineral resources for a long time through the gas pipeline like through an umbilical cord. However, the tap has lost its omnipotence and enticement. The gas control in the hands of Russian politicians looks today as an instrument for exerting uncivilized influence. My journalist colleagues associate this, figuratively speaking, "gas disarmament" with your ascent to the post of first deputy prime minister because your successful negotiations in Ashgabat and in Moscow made it possible to introduce new rules and new principles into interstate and domestic financial settlements for fuel. The six months over which the new procedures have been functioning is not yet a time range that gives grounds for generalizing or for drawing ultimate conclusions, however, certain trends are probably taking shape. I would like to hear your assessments and ideas on how justified such an approach has been.

[Lazarenko] Let me point out right away that the idea was conceived by a team. It was, unfortunately, the rare occasion when the saying "the victory has many fathers" is quite to the point. How does it go then? "The defeat is always an orphan"? Of course "victory" is an exaggerated assessment here. The main point is that, working as a single team, made up of statesmen, representatives of the Presidential Administration, and specialists in the field, we managed to bring an important project to a logical completion and organize the implementation of our concept. Experience shows that this is always the most difficult problem.

I saw on many occasions how ambitious and interesting initiatives remained in the embryonic state or were stillborn if there was no proper organization. It accounts for 99 percent rather than 50 percent of success! One frequently observes something else: One has his say and then — who cares? Organization is painstaking work, discipline, and good calculation. It is routine work without which nothing can ever be achieved.

Well, we have deviated somewhat from the main topic. I am glad that, today, we have reasons to speak not just of certain trends, but of initial, hopefully, encouraging results, which will, in the near future, determine the climate on Ukraine's energy market. Where are they and what do they consist of? You remarked aptly that, for known reasons, gas, as a strategic commodity, shifted from the economic to the political category.

Had the Ukrainian Government really been able, until now, to hold negotiations with Russian politicians on an equal basis on many complicated problems that emerged on what has remained from the Union? Those dialogues rather resembled a dialogue between a usurer and a hopeless debtor, and the results matched that.

Everything has now returned to normal practices. Wholesale supplier companies are in charge of gas deliveries — as they should be. They finance their activity with their own capital and get insurance from corresponding banks. From now on, the government does not offer any guarantees to gas importers. The gain from this is quite considerable, and not just in terms of political dividends. At one go, we managed to resolve three problems: Putting into effect the optimal market mechanism of payments for imported gas and canceling inherited debts that the preceding government incurred in 1993-94 and partly in 1995. Ukraine has abandoned the faulty practice of the government's debt commitments and thus also the likelihood of accumulating state debts. Finally, a regional principle of supplying those energy sources to industrial enterprises has been introduced.

As they say, one learns through comparison. Let us try and do this. In 1994, we failed to pay $1.4 billion to the Russian "Gazprom" [Gas Industry] alone and another $174 million to Turkmenia. It took very much effort on the part of the government to have those sums restructured. The payment was delayed, but we got some breathing space and the possibility to pay for the current deliveries, because Ukraine could not pay long-term bills and current charges at the same time either theoretically or in practice. Even credit injections from international monetary organizations would fail to help here.

Let me recall that, last year in September, by the time I moved to the Cabinet of Ministers, the unpaid debts over nine months had amounted to $700,000 for "Gazprom" deliveries. As of 1 January, we managed to cut it off. Nor are there any serious problems with ensuring advance payments for these critical imports in the current year. Even though the situation is very far from ideal, the total control, even unpopular measures, that I also had to resort to, because the government had authorized me to control mutual settlements, produced positive results.

In March, the Cabinet of Ministers analyzed the fulfillment of Government Decree No. 1033 "On the Procedure for Providing the National Economy and the Population With Natural Gas in 1966." (In accordance with that document, industrial enterprises receive gas from wholesale companies, the list of which has been approved by the Cabinet of Ministers, and the population and communal enterprises — through oblast communal gas-supply organizations). Not all wholesale dealers could ensure advance payments for gas on time and in the necessary amounts. Some of them will have to leave this market. Selection is inevitable. We promised our partners in Russia and Turkmenia to use radical methods of influence when we persuaded them to agree to the program of gas deliveries proposed by Ukraine. We must abide by our commitments.

Of course the exchange in kind, or commodity coverage for the consumed gas, as is the prevalent practice in mutual settlements within the industrial sector, makes things complicated. Besides, the experience of previous years in settlements with Turkmenistan has taught us to be vigilant.

Recently, on the commission of the government, I held a telephone link-up conference [selektorna narada] on mutual settlements for the first quarter of the current year. I can say that, on the whole, the procedure generally works. We became convinced that, for the time being, this is really an optimal variant for providing consumers with gas without plunging deep into debt. However, work along new lines revealed lack of discipline and the inability of local state structure, as well as of the State Committee for Oil and Gas Industry, the Ukrhazprom [Ukrainian Gas Industry], and the Ukrhaz [Ukrainian gas] to exact payments from gas consumers on time. Because of them, many "thromboses" have emerged in the system of domestic mutual settlements. This can no longer be tolerated.

[Blyshchyk] Pavlo Ivanovych, some wholesale dealers now understand the regional principle of provision with gas in their own way, by giving preference to those enterprises that manufacture competitive products that may be easily exported to the West, and they look upon others as a burden. Moreover, they try to get rid of them and shift that sector to the shoulders of the state....

[Lazarenko] Rules of the game are rules of the game. They have been established and cannot be changed at will. Of course, under conditions of a normal market, the vendor and the buyer are free in their choice. However, one should not forget about the extremely complicated economic situation in Ukraine. We have extremely few highly profitable enterprises, whose products can be exported. The metallurgical branch consumes 10 billion cubic meters of gas and the chemical industry — 6.5 billion cubic meters. Altogether, 16.5 billion cubic meters. Ukraine's industry requires 58 billion cubic meters of gas. Who will buy the rest? It would have been totally wrong if some people took the cream and left the leftovers for others; some would get enormous profits and others — nothing but losses. This should not be allowed to happen. That I why our wholesale dealers will have to deliver gas on the regional principle to all those who will pay. Namely, dairy factories, radio equipment plants, bakery combines, and coal-tar chemical plants. The "average temperature in the hospital ward" [allusion to a joke] will be normal. To put it differently, the gas suppliers will not lose anything. They will get their interest, perfectly sufficient for them to compensate for outlays and to obtain profits that will enable them to solve their own problems, and so on.

It is true, though, that there is still much to be done to resolve the problem of domestic mutual settlements.

To end this conversation about gas, I will underscore that the government is trying to reduce gas consumption in Ukraine to optimal volumes. Preceding years pampered us too much. I mean, first and foremost, energy-intensive production and wastefulness in the communal sphere.

[Blyshchyk] Over the period of your work within the Cabinet of Ministers, the government and the president have asked you to head at least 11 various special commissions. If I am not mistaken, within the framework of preparing the visit of Russian Federation President Boris Yeltsin, perhaps your experience in clearing debts was quite handy. What could be settled over that period of time and what documents have been drafted in the process of preparing the visit. As is known, free-trade regulations were introduced on 1 April. Ukraine, for its part, lifted all restrictions on export. Russia had as many as 200 points of restrictions. It only maintains two of them now. This is very serious progress and the result of painstaking work and of a very tense negotiating process, which is now continuing at the level of a mixed Ukrainian-Russian Economic Cooperation Commission, on which I have the honor to work. Prior to Boris Yeltsin's visit, 14 bilateral documents have already been prepared for signing. Some of them will be signed at the level of presidents and others — at the level of prime ministers or vice prime ministers. These are documents on mutual recognition of rights and on settlement of ownership relations, an accord on cooperation in the sphere of atomic power engineering, and the aforementioned free-trade agreement. On the same list there also are documents on unfreezing hard-currency savings of Ukraine's natural and juridical persons in the accounts of the former USSR's Vneshekonombank [Foreign Economic Bank]. Much has also been done for working out approaches toward resolving problems of indebtedness for fuel and energy resources and canceling Ukraine's state debt. Considerable progress has been achieved in resolving the so-called "economic block" of the fleet problem.

It is known that the Black Sea Fleet with its entire infrastructure used electricity, consumed gas and water, and enjoyed communal services, but nobody paid for them. On 20 March, at the session of the commission that dealt with the problem of the Black Sea Fleet in the context of three issues, we managed to convince the Russian side that the debt problem exists, and the Black Sea Fleet command admitted it. An accord was reached to specify, by 15 April, the sum of debt of the Black Sea Fleet's military units that are financed from the Russian federal budget to Sevastopol's communal enterprises and also the sum of the still unpaid taxes and mandatory dues.

The work in Moscow and then in Sevastopol culminated in the signing of a document that pointed out that the total debt had reached 2 trillion Ukrainian karbovantsi. A protocol decision was adopted on the mechanism of compensation. A special group is working on it now. The group includes representatives of the Ministry of Finance and V. Semenov, chairman of the Sevastopol City Council. We propose the mutual clearing [vzayemozalik] of debts. Our state owes Russia $10 million for the electricity consumed in 1995.

Will the Russians buy this? It is still too early to guess, but the variant is being studied. I hope that Boris Nikolayevich [Yeltsin]'s visit to Kiev will take place prior to elections. We are very interested in this. We hope that the Russian leadership is also interested in achieving full mutual understanding of all problems of bilateral cooperation.

[Blyshchyk] As far as I know, agriculture is [illegible]r element. You were born in a village and started [illegible] work in a village. Judging by the fact that the president once entrusted you with preparing an all-Ukrainian conference on problems of the agro-industrial complex, you are still concerned about its problems. I would, therefore, like to hear your opinion about the scandals around the U.S. credit lines that the Ministry of Agricultural Products undertook to fill. I mean the purchase of soya forage worth $100 million that allegedly caused a mass murrain of poultry at poultry farms and also the purchase of U.S. "John Deere" combine harvesters.

[Lazarenko] I am very upset and worried that the reforms that started have become bogged down at the very start. We must either proceed or admit our total impotence, because unless there are cardinal changes, the situation in the agro-industrial complex will not improve. Regarding the credit lines, I would like to see them working at their full capacity. Our state could do very well without that forage. Ukraine has now enough forage of its own — from sunflower seeds. Proper use should have been made of them. It was even possible to give credits to poultry farms. Then we would have had chicken flesh and eggs, and the waste of the butter and fat combines would have also been put to good use. Instead, much of the good-quality feed has gone bad in storehouses. I think that we have enough other problems to resolve for which that credit could be used. Regarding the "John Deeres," the government is checking over and over again all the circumstances of the signing of that accord and also issues raised by newspapers, including yours. This work will be concluded in the near future, and a final decision will be adopted.

[Blyshchyk] Pavlo Ivanovych, the Ukrainian Constitution is now about to be discussed and adopted. The draft that the Constitutional Commission has submitted counts the Cabinet of Ministers out as a partcipant in the legislative process, more specifically, it denies it the legislative initiative. What is your opinion of this? Is it just the forgetfulness of the authors of the document or a conscious encroachment upon the government?

[Lazarenko] I wouldn't formulate the question in that way. It is a draft, which may and must be corrected. The Cabinet of Ministers must have the right to the legislative initiative. One should not forget that many of the legislative bills that the Supreme Council discusses are prepared precisely in governmental structures. In conformity with Cabinet of Ministers Decree No. 991, every deputy prime minister controls the preparation of a whole package of legislative acts and is responsible for their timely submission to the Supreme Council. I am, for example, in charge of the State Property Fund; more specifically of those projects that this structure is authorized to draw up. For example, quite recently, 12 legislative bills were handed over to the parliament, and about seven are in the final stage of preparation. Literally, today, I will go to the prime minister with three documents that we will urgently pass on to the Supreme Council. They deal with taxation policy regarding those goods that are subject to excise duty. I am deeply convinced that this omission in the draft Constitution must be rectified. Otherwise the government will not be able to work normally and react efficiently to the situation and adopt timely decisions.

[Blyshchyk] Your image, at least in the mass media, is associated with a rather tough style of leadership. Much has been written about your strictness, punctuality, and ability to organize work and demand the fulfillment of your commissions. Are you really a tough person?

[Lazarenko] I don't think so, although this is for others to judge. Simply, in my work, I am used to being specific and precise, and I like to bring everything to completion. I like working on a team where everybody is dedicated to a common cause, where reliability is an absolutely sure thing, and where there is no division into drones and worker bees. I have a special "taste" for such work.

Ideally, the government must be such a team. This is something we must strive for. Then, we will be able to draw the cart of the economy out of the bog of the crisis much faster. In short, I am in favor of a command style, if it has the backing of an efficient team of like-minded people.

Ukraine: Contract Signed To Complete Construction at Nuclear Plants

LD0905150796 Kiev UNIAR in Ukrainian 0800 GMT 9 May 96

[FBIS Translated Text] Kiev — The largest individual contract has been signed within the G-7 plan for Ukraine. It is worth more than 8 million ECUs [European Currency Units] and was signed by the ENAC consortium (European Nuclear Assistance Consortium [as received]), KIEP (Kyyivenerhoproyekt) [Kiev power project], MOKhT [expansion unknown] (the Russian Federation), and the European Commission. The Ukrainian State Committee for the Use of Nuclear Power is the beneficiary of this project. The project is being financed by the European Union TACIS [Technical Assistance to the CIS] nuclear safety program. It is aimed at carrying out fundamental technical and analytical work to complete the construction of the Rovno nuclear power plant's fourth generating set and Khmelnitskiy nuclear power plant's second generating set.

The memorandum of understanding signed by the G-7 countries, the European Commission, and Ukraine in Ottawa on 20 December 1995 deemed that completing the construction and increasing the safety of Rovno nuclear power plant's fourth generating set and Khmelnitskiy nuclear power plant's second generating were of the highest priority to ensure that the Chernobyl nuclear power station is taken out of operation.

This project also differs from other TACIS projects because KIEP, a Ukrainian organization, will carry out the greater part of the work and will lead the consortium.

Economic Issues

Ukraine: Cabinet Examines Debt, Nonpayment Problems

LD0805130696 Moscow INTERFAX in English 0907 GMT 8 May 96

[FBIS Transcribed Text] At its meeting on Tuesday [7 May], the Ukrainian Cabinet is examining growth of debt receivable, creditor indebtedness and non-payment crisis.

Addressing the meeting, Ukrainian Economics Minister Vasyl Hureyev, said that by March 1, 1996 the aggregate debt receivable in Ukraine had reached around 4 quadrillion karbovanets, and credit indebtedness — 2.9 quadrillion krb.

Among the external causes of the growth of indebtedness, Vasyl Hureyev listed the loss of markets, including in the CIS member countries, by Ukrainian enterprises, the ousting of Ukrainian products from those markets and their re-orientation to imports from other countries.

Among the internal causes, Hureyev listed delay with the restructuring of enterprises, manufacturing products involving high spendings and not in ready demand among consumers, considerable funds on the maintenance of the social protection system and a considerable share of barter commodity exchange operations.

V. Hureyev disclosed that the economics and Finance Ministries in cooperation with the National Bank had outlined a number of measures to alleviate the payments crisis. Thus, in particular, the circulating assets of state-owned enterprises will be replenished in 1996 through the channeling to those aims of 10 per cent of the book profit, which is exempt from taxation.

The Economics Minister believes it necessary to set up under the Ukrainian Cabinet an interdepartmental committee for a restructuring of enterprises. The committee shall be headed by the Vice-Premier of Ukraine.

Speaking about the failure to meet the targets of the revenue side of the budget in the first quarter of 1996, Ukrainian Finance Minister Petro Hermanchuk named among the main causes "the incorrect forecasts of the macro-economic situation."

Thus, according to him, a decline in the real volume of gross domestic product at the rate of 1.8 was predicted for 1996, while the real decline in the GDP in the first quarter made 10.7 per cent as compared with the same period last year.

He noted that the enterprises as before fail to pay taxes to the budget. "Every second enterprise is dodging taxes," he said.

At the same time, P. Hermanchuk noted a decline in the level of wage backlog. According to him, it had reached by March 1, 1996 41.7 trillion krb, which is almost 19 trillion down on the wage backlog early in the year.

Chairman of the Board of the National Bank of Ukraine Viktor Yuschenko has called for the stock-taking of debt receivable and creditor indebtedness, since, according to him, the figures issued by the Statistics Ministry are somewhat overstated. He cited figures, according to which the subjects of economic activities recognized a mere 40-60 per cent of such debts.

Ukraine: Pynzenyk on Monetary Policy, Reform

WS0905144496 Kiev ZERKALO NEDELI in Russian 7 May 96 p 10

["Exclusive" interview with Viktor Pynzenyk, Ukrainian deputy prime minister for economic reform issues, by Oleksandr Hurevych in Kiev; date not given: "Viktor Pynzenyk: 'I Hate Any State That Begins Investing Money in Inefficient Production....'"]

[FBIS Translated Text] *There is hardly anyone who knows the achievements and failures of the process of forming a new economy in Ukraine better than the current deputy prime minister for economic reform issues, who has been a member of a few Ukrainian governments — Viktor Pynzenyk. Our conversation took place in his spacious office on the sixth floor of the Cabinet of Ministers building — the well known gray-brown granite architectural monument from the era of constructivism.*

[Hurevych] Viktor Mykhaylovych, to make upcoming steps more understandable, please describe, at least briefly, the preconditions for building a self-sufficient Ukrainian economy.

[Pynzenyk] If I understood you correctly, you want me to tell you something tragic about the severance of former economic ties. Yes, not a single country in the world, apart from the Soviet Union, had a closed cycle of production. The current reality is that nothing is being distributed any longer and anywhere, but everything is being sold. Therefore, for us the issue of quick and efficient transformations is a matter of independence. Any country which is unable to meet its import needs by exporting is doomed to demise.

[Hurevych] Since judging by all signs we have not yet met this requirement, though we are still an independent state, then when and where have decisive mistakes in economic reforms been committed?

[Pynzenyk] The main mistake is that reforms have never been carried out consistently. Another error which has been committed by all postsocialist countries is that targeted social protection has not been implemented on time. This measure should have followed the liberalization of prices. In our country, only a part of this package of reforms — housing subsidies — was carried out recently. Simultaneously with the serious deterioration of living standards, catastrophic immobilization of companies' working capital has occurred, which is one of the main reasons behind the current stagnation in the production sector.

[Hurevych] If we look at last year's final results, we will discover that given the general 13-percent decline in production, the production of components fell by 6 percent compared with 21.5 percent in 1994, and the production of finished products dropped by 25 percent compared with 23 percent in 1994, that is, the decline was even deeper with regard to the latter. One of the reasons behind this situation is the harsh monetary and credit policy and the declining solvent demand. Finished products can be sold primarily on the domestic market, while raw materials, metals, chemicals, etc are competitive on foreign markets. As a result, the disproportion among branches which existed in the Soviet era and the correction of which was the goal of reforms has increased even more. Was is not a serious mistake that this process was let slide in the conditions of "total liberalization?"

[Pynzenyk] This assumption is totally erroneous. On many occasions, I have heard the following phrase: let us change the economic structure first, and then we will launch reforms.

[Hurevych] According to you, structural transformation is not yet reform.

[Pynzenyk] No, I simply want to say that nothing has produced more positive results for Ukraine than the harsh monetary policy. In 1993, given the soft monetary policy, we multiplied companies' working capital by 38 times, but prices rose 101-fold, that is, working capital decreased 2.5-fold. For the first time, a real increase in working capital was observed when inflation had decreased — in the second, third, and fourth quarters of 1994 and in virtually all of 1995.

As a matter of fact, the figures you cited testify to a different, very serious blunder: discriminatory taxes on domestic products, compared with those on imports. This was absurd from the viewpoint of world experience. For example, how can our ham compete with imported products if there is no tax on the latter? However, while we have managed to somehow resolve the problem of excise taxes, the problem of the vat remains. And there is only one explanation of this — corruption. Having developed a taste for a particular "free trade tunnel," traders in imported goods are throwing in big money to block government decisions aimed at rectifying this absurd situation. By the way, in Russia it was Chubays who did a great deal to resolve a similar problem there.

[Hurevych] This was evidently not the least reason why he had to step down.

[Pynzenyk] This has not been ruled out. As for such investment- intensive branches as machine building and construction, they will begin to recover only when accumulation starts, and the latter will take place if confidence in the national currency improves. This is why it is so important for the invigoration of investment processes to complete financial stabilization. In 1995, the first significant breakthrough in the area of private investments took place: large amounts of domestic and Western money were invested in the agricultural sector.

[Hurevych] Everything is clear with regard to private investments: they go to areas in which profits can be reaped quickly. In areas where profits are not immediate, however, it is the state that must act and take care of the long-term interests of its citizens. Therefore, do you not think that the flux of state loans triggered hyperinflation in 1993 not because there were too many of them, but because as a result of pressure from lobbyist groups, the loans, first of all, ended up in inefficient auxiliary areas, and second, were simply stolen and put into circulation through "authorized" banks? After all, there are economic theories, in particular that of J. Schumpeter [famous Western economist who taught at Harvard], which prove that economic growth is possible even under high inflation.

[Pynzenyk] There is no place in the world in which economic growth takes place under conditions of high inflation. There is a World Bank study concerning 130 countries which shows that growth is observed only if annual inflation does not exceed 25-30 percent, that is, 1-2 percent monthly.

[Hurevych] Let me name the 131st country — Brazil — where given a 4-6 percent increase in the GDP in 1993 and 1994, annual inflation amounted to 3,000-5,000 percent. During the same period, Brazil had the highest foreign debt in the world — $121 billion — and the domestic debt reached $90 billion. According to a report by this same World Bank, Brazil holds the lead according in social inequality. So, more than half of the national wealth is concentrated among 10 percent of the population (in my opinion, we are close to this figure). Does the fact that minors account for 12 percent of the working age population not reflect our tendency as well?

[Pynzenyk] You have touched upon the social sphere, and this is a completely different aspect. Yes, education, science, culture, the protection of the weak is indeed an area of state activities. However, I hate any state that begins investing in inefficient production.

Now about lobbying. If we are talking about errors during reforms, here is another example. On the one hand, although the work with deputies is a very difficult, grueling process, it produces very positive results. On the other hand, hardly anyone has doubts that paid lobbying exists. For example, the first law concerning taxes on the shadow economy was recently passed, and there was one deputy who had some remarks concerning every paragraph and every version of it! Was he ordered to do so? Undoubtedly. And there are many similar examples.

[Hurevych] Has the government attempted to put lobbying in a civilized framework with the help of an appropriate law?

[Pynzenyk] Personally, I have not dealt with this. A package of economic bills is currently more important for me.

[Hurevych] How can one learn whether such a law will become a good "lubricant" to push the economic laws through the Supreme Council? However, enough talk about errors. Let us talk about positive features which the Ukrainian economy has acquired during the years of independence.

[Pynzenyk] I will talk about the last year and a half simply because the previous period showed how reforms should not be conducted. So, while wages fell by 38 percent in 1992, by 52 percent in 1993, and 17 percent in 1994, in 1995 real wages increased by 28 percent. Moreover, the decline in production has become much slower, and Ukraine has begun repaying its foreign debt. We are currently paying for gas better than Russian consumers. Finally, Ukraine has received for its economic activities a reliable indicator — a stable hard currency exchange rate. Foreign currency has begun returning from abroad ($1.4 billion last year). The problems we have had with the dollar over the past few years are connected with this phenomenon. After all, money is still being printed, and [the dollar's] exchange rate is falling. Thus, it has currently become more advantageous to exchange dollars for karbovantsi and deposit them: there is no place in the world in which one can receive 4- or 5-percent interest in dollar equivalent. If this tendency continues during the next few months, people will get rid of hard currency on a large scale, that is, dedollarization of the economy will begin.

Returning to production, a slow accumulation of working capital has currently begun, and conditions for investments are improving owing to a sharp decrease in interest rates on loans and changes in the structure of deposits: term deposits prevail now. While long-term deposits accounted for 14.9 percent of all deposits in 1995, this March they accounted for 17.2 percent of all deposits. Companies have currently divided into two categories: those who ask not to harass them and to ensure stable external conditions, and those we are seriously ailing. So, there is only one conclusion: not to ruin the healthy companies with another super emission of money, and to begin restructuring ailing companies. Incidentally, there have appeared large investors who are ready to invest from $100 million to $200 million in their reconstruction.

[Hurevych] Could you name them?

[Pynzenyk] Until intentions become concrete agreements, I would not like to disclose them. I assure you, however, that there is stiff competition and even lobbying by Western companies with regard to a number of projects. Although the largest projects are concentrated in machine building, there are some projects concerning the agricultural sector. The invigoration of privatization processes is considerably contributing to this, and the capital market is beginning to wake up from its lethargic dream.

[Hurevych] What are the immediate economic prospects in this context?

[Pynzenyk] Although the problem of inflation remains, there is currently no threat that it may unfold into hyperinflation. I think that in April inflation will amount to 2-2.5 percent, and in the second half of this year it will fall to 1-1.5 percent. These conditions are already fully acceptable for any investor. We are currently entering the next stage of reforms — restructuring, that is, we are focusing on the microeconomic level. Large capital investments in any large company immediately unfold a whole chain of other production companies. For example, the foreign investments in AvtoZAZ [Zaporizhzhya auto plant], which are currently being planned, will "tug in" 300 indirect subsidiaries, etc.

[Hurevych] Every country usually finds its points of growth. For instance, during the depression in the United States it was the defense industry and road construction that became such points. What will become our springboard?

[Pynzenyk] In our country, this will be the agriculture and food and light industries, and, in general, those sectors of the economy which work either for people or export. In particular, there are the first signs of a boom in construction.

[Hurevych] Nonetheless, I have never heard about a case in which the agricultural sector would put the entire economy into operation. As it is, in a majority of developed countries agriculture is subsidized.

[Pynzenyk] This is untrue. The United States and New Zealand do not subsidize it, but Europe — yes, it subsidizes its peasants.

[Hurevych] I have no data on New Zealand, but in Europe a few years ago 60 percent of the EC budget was spent on financial assistance to agriculture. In the United States, this figure accounted for 36 percent of farmers' net profit.

[Pynzenyk] Anyway, I think that you are not correct. In any event, it is the agricultural sector that has had the slowest decline in production in our country, and if one takes into account the shortcomings of our statistics, perhaps there is no decline at all. The private sector is currently producing 96 percent of potatoes, 75 percent of vegetables and fruit, and over half of the meat and milk. The volume of grain grown by the private sector has considerably increased as well.

[Hurevych] In one of the analyses of the Russian Institute of National Economy Forecasts, I read a thesis saying that the Russian Federation's agricultural sector has become the main financial donor of the entire economy. Despite that fact that production of agricultural products decreased in the period 1991-1995, every year it donated income amounting to 5-6 percent of GDP to other sectors of the economy, through the mechanism of price disparity. The same pattern evidently existed in our country as well.

[Pynzenyk] Yes, the same pattern occurred in our country. De jure, there were no taxes in the agricultural sector, but de facto they were enormous. This was primarily connected with attempts to do a great favor to the entire population by purchasing virtually all agricultural production. But there was no money for this in the budget. Thus, there was the money emission "for crops" last fall, and all crops were purchased according to fixed prices. Naturally, the emission triggered inflation, prices for resources for the countryside increased, and the peasant approached the spring as poor as a church mouse. And it was not the state that received the difference between fixed and market prices for the grain stored in "the motherland's granaries," but people who obtained a license to sell it. We have broken this system by purchasing last year's grain only for budget needs.

During the past eight months, we have had the opposite happen: prices for nonfoodstuffs have been increasing slower than those for food. As a result, the former increased 120 percent, and the latter 150 percent. This seems to be a positive phenomenon. However, it is absolutely necessary to resolve the problem of demonopolizing food processing companies which are conducting outright speculation without a twinge of conscience. Thus, for example, we have made it possible for kolkhozes to sell milk for cash, and now they themselves are transporting it to cities and, as a rule, are selling it at considerably lower prices.

By the way, the housing subsidies are working in the same direction as well. After all, on what do pensioners and citizens on low incomes spend most of their money? On food. This means that by alleviating the housing problem, we are making it possible for them to spend more money on food and correct the aforementioned disparity of prices. However, this process will last two or three years, and not two or three months, as some hot-blooded people would like.

Belarus

Belarus: NATO Official Hopes for 'Intensive' Belarus Contacts

WS0905100996 Minsk BELAPAN in English 0656 GMT 9 May 96

[FBIS Transcribed Text] Minsk, 8 May — "NATO's expansion is a process in which the interests of all states, including those opposed to the accession of new members to the North Atlantic alliance, should be and are taken into consideration," Marco Carnovale, a representative of the political department of the Central and East Europe section at the NATO Headquarters, told reporters during the international conference "European Security: Regional and Global Problems." According to him, all states are kept informed of the position of the NATO leadership on the alliance's expansion during the process of the bilateral dialogue.

As regards Belarus, having welcomed the fact that the Republic had submitted its Presentation Document under the Partnership for Peace programme Mr Carnovale expressed regret that "Belarus is not very willing to have a dialogue with NATO, and the NATO leadership has no right to urge on it." In this regard Mr Carnovale expressed hope that in the future contacts between Belarus and NATO would be much more intensive and fruitful, and that the parties would manage to reach mutual understanding, including about questions concerning NATO's expansion.

Belarus: President Chides Officials Over Failure To Pay Wage Arrears

LD0905122396 Minsk Radio Minsk Network in Belarusian 2050 GMT 8 May 96

[FBIS Translated Text] Today Alyaksandr Lukashenka sent telegrams to the government, heads of central and local leadership, the chairwoman of the National Bank of the Republic of Belarus and also to heads of associations and companies.

The state of affairs in payment of wages, the telegram says, shows that heads of enterprises and organizations are not taking exhaustive measures for timely payments. The Cabinet of Ministers, ministries and departments, together with the National Bank and commercial banks, have loosened control and are not providing timely help to businesses. The shortcomings outlined, in the words of the president, are provoking justified complaints and claims from citizens. Alyaksandr Lukashenka demands that the necessary measures be taken to pay back the debts, including those of the first quarter, by 20 May 1996.

Belarus: OMON Clashes With Popular Front War Veterans Over Flags

LD0905190396 Moscow INTERFAX in English 1600 GMT 9 May 96

[FBIS Transcribed Text] MINSK, May 9 (Interfax-West) — An OMON [Special Purpose Militia Detachment] (riot police) detail on Thursday clashed with World War Two veterans, confiscating from them several souvenir flags bearing the colors of the former national flag.

The flag, which consists of three equal horizontal stripes, white, red and white, was replaced several months ago by the flag of the former Belarussian Soviet republic less the communist symbols but is still used by the right-wing Belarussian Popular Front.

The veterans, supporters of the Front, were carrying the souvenir flags as they were laying flowers at a war memorial in the center of Minsk.

Commenting on the incident, one of the Front leaders, Viktor Vecherko, said the flower-laying ceremony had had the approval of police authorities and that police were guarding the "two dozen" veterans as they proceeded to the memorial but that "the actions against the veterans who were no longer young, actions that had little to do with human morality, were sanctioned by the OMON leadership."

However, a police colonel who witnessed the scene said the OMON's actions had been legitimate. The colonel, who did not name himself, told Interfax that President Alyaksandr Lukashenka specified in a May 6 decree "what colors can be used on May 9. It's the national flag of Belarus - red and green with white ornamental pattern, the national flag of the USSR and the symbol of the Victory Flag, the five-pointed star, hammer and sickle on red ground."

Kazakhstan

Kazakhstan: PRC Chief of Staff Arrives, Greeted by Foreign Minister

LD0905150696 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] Almaty, May 9 (Interfax) - Upon his arrival in Almaty today, China's Chief of Staff, Col. General Fu Quanyou has been received by Kazakhstan's Foreign Minister Qasymzhomart Toqayev.

In an interview with Interfax after the meeting, Toqayev said that it was the first such visit by a top level Chinese military official, "a visit that will pave the way not only for military contacts but for all-round bilateral cooperation.

On military ties with Beijing, Toqayev recalled that President Nazarbayev had signed an appropriate agreement with China during his official visit there last September, an agreement that "should be translated into action," Toqayev said.

At the talks with Fu Quanyou, special attention was paid to joint efforts toward putting into practice the Shanghai agreement, committing Kazakhstan, Russia, Tajikistan, and China to consolidate security along their common borders.

Toqayev described the the attainment of the accord as "a major political action this century." Echoing his view, Fu Quanyou noted that "China does not want to expand, nor does it want military bases outside its territory."

Toqayev "reiterated Kazakhstan's opposition to the policy of two Chinas and voiced respect for Taiwan as an integral part of the continental China."

Fu Quanyou, scheduling to meet with Kazakhstan's Defense Minister Alibek Kasymov the day after tomorrow, is to see some military sites. His visit will last until May 15.

Kazakhstan: Foreign Minister Tokayev Meets Chinese Army Chief

LD0905190096 Almaty Kazakh Television First Program Network in Russian 1400 GMT 9 May 96

[FBIS Translated Text] Colonel General Fu Tsuanyu, the chief of General Staff of the People's Liberation Army of China [name and title as heard], arrived in Almaty today on an official visit.

[Unidentified correspondent] This morning he was received by Foreign Affairs Minister Qasymzhomart Tokayev. During the conversation they exchanged opinions on a wide range of matters in Kazakh-Chinese relations. Particular attention was paid to working out joint actions to implement the agreement between Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and China on military confidence- building measures in the border zone, which was signed during the meeting of heads of state in Shanghai in April.

Tokayev said that the development of cooperation with the People's Republic of China is a priority area of our policy. He once more confirmed Kazakhstan's official position of not accepting the two-Chinas policy. Taiwan is a part of China, and our republic is against any separatism, [he said].

General Fu Tsuanyu noted that the foreign policy being pursued by President Nursultan Nazarbayev is rated highly in Chinese political circles.

Both sides expressed satisfaction with the cooperation that is developing between the two countries and exchanged congratulations on Victory Day.

[Begin Fu Tsuanyu recording, in Chinese with superimposed Russian translation] The aim of our visit to the Republic of Kazakhstan is, first, to strengthen and improve understanding between our countries, in particular between our Armed Forces, and, second, to promote cooperation between our countries in all fields. [end recording]

Uzbekistan

Uzbekistan: Turkish President Addresses Businessmen in Tashkent

TA0905142996 Ankara TRT Television Network in Turkish 0900 GMT 9 May 96

[Yasar Kefeli video report from Tashkent]

[FBIS Translated Text] President Suleyman Demirel has stated that Turkey serves as a very important bridge connecting Europe to Central Asia and China. Demirel, who is in Uzbekistan as the official guest of Uzbek President Islam Karimov, will conclude his contacts today. Demirel held a meeting with Turkish businessmen who are active in Uzbekistan at the Durmen state residence this morning.

Noting that Turkey and Uzbekistan are two friendly and brotherly countries, Demirel said that Turkish businessmen have an important contribution in the development of Uzbekistan. Explaining that he observed that Turkish businessmen have achieved favorable results in Uzbekistan over the past four and half years, Demirel congratulated the representatives of the Turkish companies. Recounting that Turkish businessmen hope to serve Uzbekistan, Demirel added: Continue to put your trust in the future of this country. Uzbekistan will be a very beautiful country in the next century.

Pointing out that Central Asia has no outlet to the sea, Demirel said that Mediterranean and the Aegean ports can only be reached through the Caucasus. Explaining that the Armenian-Azeri conflict makes it difficult to pass through the Caucasus, Demirel said: However, peace will most certainly be secured in this area. Noting that a railway should be constructed between Kars and Tbilisi, Demirel said that Central Asia can be reached with this railway.

Demirel also stressed that Turkey serves as a very important bridge connecting Europe to Central Asia and China.

The Turkish businessmen, in turn, briefed the president on their work in Uzbekistan and voiced their concerns.

Demirel later received Uzbek students studying in Turkish schools in Uzbekistan. The students presented Demirel with various awards.

Uzbekistan: Turkey's Demirel on Concern Over Russian Policies

TA1005064996 Ankara TRT Television Network in Turkish 1700 GMT 9 May 96

[Report by Utku Sensoy in Tashkent; words in quotation marks in English]

[FBIS Translated Text] President Suleyman Demirel held a news conference last night for Turkish journalists at the Dormen State Guest House where he is staying. He said that during his stay in Tashkent, he and President Islam Karimov discussed bilateral and regional relations as well as international questions. Stressing the importance of the concept of Eurasia, Demirel said it is a historic opportunity. He pointed out that the damage the Soviet administration caused to the various elements that make a nation a nation in this region should not be underestimated. He added that during the five years since the disbandment of the Soviet Union, certain things have come to light.

[Begin Demirel recording] The Soviet empire collapsed without bloodshed, without fighting. It collapsed on its own. During the ensuing five years, however, we see that this is not accepted by many people in the Russian Federation. The entire world is concerned about that. Of course, the upcoming elections in Russia are closely linked with this issue. Even before the elections, however, the Russian policy of the "near abroad," the concept of "voluntary union" or "voluntary unity," and concepts such as relatives living in close proximity and so on, officially indicate the unrest being felt by Russia about the collapse of the empire. [end recording]

Demirel recalled that there are various groups within the Russian Federation at the moment, and that the Chechens' desire for independence is making Russia extremely concerned. He said: By oppressing the Chechens, Russia is trying to deter others from resorting to such activities. A lot of blood has been shed, though.

The president pointed out that he does not interfere in anybody's domestic affairs. However, he said, there are internationally signed documents today which stipulate that nobody has the right to say: I can shed as much blood as I want since it is my internal affair.

President Demirel said that the five Turkic republics in the Caucasus and Central Asia, as well as Afghanistan and Tajikistan, concern Turkey very closely, that Turkey established diplomatic ties with all these countries, and that it is trying to help the development of these countries.

Demirel explained that the greatest problem in Central Asia is to save it from not having access to the sea. He said that Turkey offered these countries access to the world via Turkey.

Asked if the pipelines agreement signed between Kazakhstan and the Russian Federation can lead to concern as far as the Turkish straits are concerned, the president replied: Whoever tries to send too much through the straits will have to stop there. If ships can pass, Turkey is not concerned. However, if many ships come to the strait, it is obvious that it will take them time, that passing through will be problematic. We are not saying we will not let you through.

Present at Demirel's news conference were State Minister Ayvaz Gokdemir, Culture Minister Agah Oktay Guner, and Environmental Affairs Minister Mustafa Tasar.

Armenia

Armenia: Russia's Primakov Leaves Yerevan With 67 Azeri Hostages

LD1005095696 Moscow ITAR-TASS World Service in Russian 0855 GMT 10 May 96

[By ITAR-TASS correspondents Yuriiy Kozlov and Tigran Liloyan]

[FBIS Translated Text] Yerevan, 10 May — "I am satisfied with the results of my trip," said Russian Foreign Minister Yevgeniy Primakov, who left Yerevan for Baku today on a Russian shuttle diplomacy mission.

The same charter flight takes to the capital of Azerbaijan 67 Azeri prisoners of war and hostages, which were detained in Nagornyy Karabakh and in Armenia. They were released following the petition of the Russian shuttle diplomacy mission in Nagornyy Karabakh carried out on Boris Yeltsin's personal instruction.

Zoran Iovanovich, the head of the delegation to Armenia of the International Red Cross Committee (IRCC), told ITAR-TASS that all in all 70 Azeri POW's and hostages were handed over to the IRCC. However, three of them have chosen to stay in Yerevan under the protection of the IRCC until they decide where to go, he said.

Armenia: Russia's Primakov Meets Ter-Petrosyan, Papazyan

LD0905174796 Moscow ITAR-TASS World Service in Russian 1439 GMT 9 May 96

[By ITAR-TASS correspondents Tigran Liloyan and Yuriy Kozlov]

[FBIS Translated Text] Yerevan, 9 May — Russian Foreign Minister Yevgeniy Primakov has met Armenian President Levon Ter-Petrosyan. They had a conversation behind closed doors, which lasted for 90 minutes longer than scheduled. The sides refrained from commenting on the subject of the conversation and its outcome.

Presumably, the key subject of the conversation was an exchange of opinions on ways of settling the Karabakh conflict. The Russian side thinks that the releasing of POW's and hostages on an "all for all" basis will provide a tangible stimulus to the negotiating process. The main aim of the trip to the region by the head of the Russian foreign policy department was to implement this plan. Yevgeniy Primakov's mission has been undertaken within the context of "shuttle" diplomacy on the personal instruction of Russian President Boris Yeltsin.

A total of more than 100 POW's and hostages have been released in the last few days thanks to the mediation of the Russian side. A group of Armenian POW's and hostages who had been held by the Azerbaijani side arrived here on Wednesday with the Russian delegation. A total of approximately 70 POW's and hostages released by Nagorno-Karabakh and Armenia are expected to be handed over to the Azerbaijani side on 11 May.

The Russian minister had talks with his Armenian counterpart, Vahan Papazyan, during the day.

Yevgeniy Primakov and Armenian President Levon Ter-Petrosyan laid a wreath at the Grave of the Unknown Soldier in the park in Yerevan. He laid a wreath at the memorial on Tsitsernakaberd Hill to honor the memory of the victims of the Armenian genocide in the Osman empire in 1915.

During the evening the minister went to see how the construction of the complex of buildings and structures of the Russian embassy in Yerevan was progressing.

Armenia: Yerevan Stresses Importance of Keeping Karabakh Truce

LD0905194596 Moscow INTERFAX in English 1534 GMT 9 May 96

[FBIS Transcribed Text] YEREVAN, May 9 (Interfax) — Armenian President Levon Ter-Petrosyan has expressed satisfaction over the fact that truce in the area of the Nagorno-Karabakh conflict has been observed for two years, since May 12, 1994.

Speaking in Yerevan Thursday at an international conference on foreign investment in Armenia, he said that the main goal of the current visit to Transcaucasia by Russian Foreign Minister Yevgeniy Primakov is to receive the assurances of the sides in the conflict that the truce will be observed until a general political agreement is signed.

"In my opinion, this is a very important issue, because the main task now is to ensure that military activities do not resume," said Ter-Petrosyan.

He said on May 8 Primakov brought from Baku to Yerevan 35 Armenian prisoners of war. About 70 Azerbaijani POWs will be sent from Yerevan to Baku Thursday.

Armenia: Ter-Petrosyan Links Economic Growth to Foreign Investment

LD0905194896 Moscow INTERFAX in English 1534 GMT 9 May 96

[FBIS Transcribed Text] YEREVAN, May 9 (Interfax) — The success of Armenia's economic development depends entirely on foreign investment, Armenian President Levon Ter-Petrosyan told an international conference on foreign investment in Armenia in Yerevan Thursday.

He said the process of creating a democratic law-based state and market economy in Armenia has become irreversible.

"I do not doubt that the internal political situation in Armenia will remain stable and that forces which began democratic and economic reforms will stay in power in the next five years," he said.

Armenian Prime Minister Grant Bagratyan described the overall economic situation in the country as "favorable for domestic and foreign investment."

According to him, the share of the private sector in the 1996 gross domestic product will reach 75 percent, which "is comparable to some western countries."

He said 60 percent of companies involved in trading and services, as well as 50 percent of the manufacturing industry, are privately owned. By the end of 1997, all businesses in Armenia, except for various specially designated enterprises, are to become private, said Bagratyan.

A policy aimed at the stimulation of foreign trade has led to the abolition of all export duties and significant cuts in import duties, said Bagratyan. He described such liberalization as an incentive for foreign investment.

At the same time he said that "opportunities for cooperation with international economic institutions, including the World Bank and the International Monetary Fund, to attract foreign investment are used unsatisfactorily." In this connection Bagratyan said "the government is prepared to assist investors acting in this direction."

Armenia: Companies From Various Countries at Investment Conference

NC0905140396 Yerevan NOYAN TAPAN in English 1547 GMT 8 May 96

[FBIS Transcribed Text] Yerevan, May 8 (NOYAN TAPAN)—An international conference "Why and How to Invest in Armenia" started Wednesday [8 May] in Yerevan. The conference is attended by 150 representatives of various companies, including: British American Tobacco (Turkey), Budinex S.A. (Poland), Grandi Molini Italian S.P.A. (Italy), North American Textiles Co. (USA), Skoda Export Ltd (Czech Republic), Philip Morris Europe S.A. (Switzerland), Delta International (Saudi Arabia), Caran Co Ltd (Iran) etc.

On the first day guests met with Armenian businessmen and officials from Armenia's ministries. Foreign guests also attended an exhibition of goods manufactured by Armenian enterprises.

The conference will last until May 10.

Azerbaijan

Azerbaijan: Turkey Cancels Financing for Western Route Oil Pipeline

NC0805211096 Baku TURAN in English 1711 GMT 8 May 96

[FBIS Transcribed Text] BAKU /08.05.96/ TURAN — "Today I received fax from Ankara which says that the Turkish government takes back its proposal about readiness to finance the reconstruction of the western route of oil pipeline from Azerbaijan to the Georgian coast of the Black sea," TURAN was told by Terry Adams, the president of AIOC. [Azerbaijan International Operating Company]

Earlier Turkey expressed readiness to allocate 240 million dollars for reconstruction of the existing pipeline. However, AIOC did not agree with this project which provided limitation of the volumes of transported oil to 6 million tons a year. The objection of AIOC and official Baku was caused by the fact that the question on financing of the pipeline was connected with the obligations on construction of the big oil pipeline through the territory of Georgia. AIOC rejected the Turkish option of financing and announced about its intention to fund this project.

The question on the route of transportation of "early oil" from offshore fields of Azerbaijan was settled in Autumn last year. Then AIOC announced that the "early oil" with the volume to 5 million tons a year will be transported simultaneously by two routes: through Georgia to port Supsa and through Russia to port Novorossiysk which are in the Black sea.

Azerbaijan: Protocol With Iran on Shah-Deniz Oil, Gas Signed

NC0905074596 Baku TURAN in English 1711 GMT 8 May 96

[FBIS Transcribed Text] Baku/08.05.96/TURAN — Today SOCAR [State Oil Company of Azerbaijan Republic] and official representatives of Iran have signed a protocol on assignment of the final documents on perspective oil and gas structure Shah-Deniz. The Iranian side should become acquainted with the project within 10 days and give final answer if Iran will take part in the development, TURAN was told by informed source in SOCAR. The same source said that the protocol did not provide the question on share participation of Iran in the project. Delegation of the Iranian State Company arrived in Baku on Monday.

*The following companies take part in the development of "Shah-Deniz": Anglo-Norwegian BP/Statoil — 51 percent, Turkish TPAO — 9 percent, Russian LUKoil — 10 percent, French ELF — 10 percent and SOCAR has 20 percent. It is expected that SOCAR will assign to Iran third part of its share, that total 10 percent in the project. British RAMCO pretends for 5-7 percent.

Shah-Deniz is located approximately in 100 kilometres to the South from Absheron Peninsular in the Azeri sector of the Caspian. The future contract is estimated at $4 billion. The reserves extracted from Shah-Deniz are estimated at 400 billion cubic metres of gas and 200 million tons of oil.

Azerbaijan: Armenian Official on Yak-40 Incident

964F2101B Yerevan RESPUBLIKA ARMENIYA in Russian 1 May 96 p 1

[Article by Alvard Barkhudaryan, Analytical Center of the Republic of Armenia Ministry of Information: "An Enormous Sky—It Is Ours Together... The Peacekeeping Process Must Not be Hindered by Anything"]

[FBIS Translated Text] Karabakhians, it seems, have already grown accustomed to the fact that in the period of the military confrontation with Azerbaijan, the most sudden surprises can be expected from neighbors on days that are sadly or festively significant for the Armenian people. And the Karabakhians are especially vigilant on such days.

On 24 April, when the leadership of the NKR [Nagorno-Karabakh Republic] and citizens of the republic returned to their homes after laying wreathes and flowers at the monument to the victims of the genocide of 1915, alarming news made the rounds of the capital of the NKR. An Azerbaijani aircraft had intruded into its air space along the line of contact. After information was received from the PVO [Air Defense] stating that the aircraft that had "lost its way" belonged to civil aviation, passions abated. Naturally, no shots were fired at the aircraft. It would seem that the incident was over.

However, in the second part of the same day Baku radio rushed to announce: "The Ministry of Defense of Azerbaijan reports that on 24 April at 1420 local time an Azerbaijani YAK-24 passenger aircraft took off from Naftalan Airport, and at an altitude of 800 meters it was fired at from the direction of the village of Talysh in Agderinskiy (Mardakertskiy—A.B.) Rayon. Sustaining damage, the aircraft landed back at the airport in the city of Naftalan. Three holes from large-caliber guns were found in the aircraft, and the fuel tank was damaged... Twenty passengers were aboard the aircraft. It is impossible to say exactly which side fired at the aircraft, but one bullet located in the tank will help the investigation. The aircraft had identification markings. It could be seen clearly that it was a civilian aircraft. Why was it necessary for the Armenians to fire at it?" (The style of the original is maintained—RA).

The logic of the Ministry of Defense of Azerbaijan is not understandable. On the one hand, by its own admission, "It is impossible to say exactly which side fired at the aircraft." And on the other hand—a perfectly fair question: "Why was it necessary for the Armenians to fire at it?" Indeed—why? And especially on such a day.

On 24 April, Baku radio once again returned to the "theme": "Arif Gasanov, an aviation expert from the state concern Azal (Azerbaijani Airline) said, after noting that it has already been a year since an agreement was signed between Armenia and Azerbaijan on the uninterrupted flight of passenger aircraft through each other's air space: 'Aircraft of Armenia peacefully fly to Central Asia over Azerbaijan, and up to 23 April there were no incidents either from our side or from the Armenian side.' In this regard, the airline appealed to the appropriate organs of Armenia, to which the organs replied that 'Armenia has no knowledge of this case, and they promised to study the situation and conduct an investigation.'"

On 25 April in Stepanakert we asked military experts of the NKR AO [Aviation Department] to comment on what had happened. This is what they informed us: "On 17 April from 1300 to 1319 an Azerbaijani YAK-40 aircraft with the tail number 87812 approached the line of contact on the segment Udzhary-Yevlaks-Naftalan, and on 17 April it came up to three kilometers from the line of contact. On 17 April, after a communications intelligence report that the aircraft was a civilian aircraft, PVO was not brought to a state of readiness, and on 24 April the PVO system was taken off combat readiness at 1320. No shots of any kind were fired at the aircraft. It should be noted that on 23 April the Azerbaijani YAK-40 aircraft also deviated from the usual route for an insignificant distance. Facts of the approach of the aircraft right up to the line of contact were confirmed by information from forward positions. According to data of the NKR AO communications intelligence, at the indicated time (the time difference with Azerbaijan is one hour) flight routes of Azerbaijani Republic civil aviation are conducted regularly to the population center of Naftalan. However, the flight routes usually do not come closer than 8-10 kilometers to the line of contact. Taking into account the fact that in one week the YAK-40 aircraft with tail number 87812 deviated three times from the usual route and came very close to the line of contact, it is possible that these deviations are associated with either a provocation or an intelligence purpose."

It is interesting that as early as 25 April the Russian newspaper SEGODNYA, carrying as its own information a report on the "incident," adds itself, it seems to us: "The Ministry of Defense of Azerbaijan has assessed the firing on the civilian airliner as a provocation directed at a disruption of the peace negotiations regarding a settlement of the Armenia-Azerbaijan conflict." In any case, we have not heard about such an assessment of events on the part of the Ministry of Defense of Azerbaijan as was reported by Baku radio. Even the opposite. Baku radio believes that "maybe this is the work of a third party."

We will ourselves add that the logic of war makes it possible that soldiers (from either side of the "contact line"), seeing an aircraft over their positions, might certainly exercise "independent action," as has already happened more than once.

And again on the question of "provocation" and "disruptions" in the settlement. While it remains unknown who fired on the Azerbaijani airliner in the air space of Azerbaijan, it is known absolutely exactly that on 24 April at approximately the same time at the line of contact to the northeast of Agdam an OSCE mission that was in Nagornyy Karabakh, whose representatives' uniforms also have "identification marks," was fired at from the side of the Azerbaijani formations. It is interesting that not a word of this was mentioned either by Baku radio or by the newspaper GAZETA. (On arriving in Yerevan we telephoned Tbilisi, and Dr. Philip Flury, the personal representative of the acting chairman of the OSCE, once again confirmed this information.)

If one wished, of course, it is possible to view any of these cases as a "provocation" directed at disrupting the peace negotiations. It is possible if one wants to very much...

Fortunately, there were no other alarming incidents on 24 April. And it seems that the process of peace negotiations will continue, no matter what kind of "third parties" may be interested in their disruption.

"The Armenians Had Nothing to Do with It"

ARMENPRESS reports that according to the Azerbaijani SHARG Agency, the YAK-40 aircraft, about which it has already been reported, flew out of Baku at 1330. Considering that the flight time to Naftalan is 50 minutes, the aircraft could not have flown back at the time indicated by the Ministry of Defense. At that time the aircraft was still at Naftalan Airport. The sole fact that does not raise doubts, the agency believes, is that the aircraft was fired on. But this could have happened, as SHARG supposes, during the aircraft's landing. Taking into account the distance of the disposition of Armenian forces from the place of the incident, the agency comes to the conclusion that "the Armenians had nothing to do with it."

Estonia

Estonia: Security, NATO Cooperation Discussed With Finnish Minister

LD0905161596 Tallinn Radio Tallinn Network in Estonian 1900 GMT 8 May 96

[FBIS Translated Excerpt] The Estonian and Finnish foreign ministers said in Tallinn today that visa-free travel between the two states would come to force in the beginning of 1997. [passage omitted]

Tarja Halonen told journalists that the foreign ministers discussed also issues of European security structure and property of foreigners, but also opportunities for cooperation within the framework of the NATO Partnership for Peace program and matters of Finnish alcohol policy.

Halonen supported Estonia becoming a member of the European Union as soon as possible.

A meeting between President Lennart Meri and Tarja Halonen focused on matters of the European Union and security.

Estonia: Finnish Foreign Minister Stresses Minority Rights

WS0805131796 Tallinn BNS in English 1217 GMT 8 May 96

[FBIS Transcribed Text] Tallinn, May 8, BNS — Finnish Foreign Minister Tarja Halonen in remarks to the Estonian parliament's Foreign Affairs Committe Wednesday pointed out the importance of ensuring equal rights to all ethnic groups.

Estonian MPs at the meeting admitted the parliament had failed to fully abide by the European legal norms in the law on local elections passed on April 17, the parliament press office said.

Speaking about the law, which after its passage was sent back to parliament by President Lennart Meri, the MPs said the problem had to be solved with other laws.

But the members of the foreign affairs committee added that if Estonia followed the European legislative principles, also Russia had to take them into account.

The Finnish foreign minister also wanted to know Estonia's position on EU and NATO membership.

Chairman Eino Tamm of the Foreign Affairs Committee spoke at some length about the defense policy concept adopted by the parliament Tuesday, in which the country also defines NATO membership as its goal.

Halonen, in Tallinn for an official visit, was to meet later on Wednesday with President Lennart Meri and Foreign Minister Siim Kallas.

Also during the current visit a program for economic assistance and cooperation between the two countries in 1996 will be signed.

Estonia: Finnish Minister Discusses Security, Visa-Free Travel

LD0805202396 Helsinki Suomen Yleisradio Network in Finnish 1430 GMT 8 May 96

[FBIS Translated Excerpt] Security policy was one of the main topics during Finnish Foreign Minister Tarja Halonen's visit to Estonia today. During the visit, the Estonians also raised the matter of visa-free travel between Finland and Estonia. Ulla-Maija Maeaettaenen reports from Tallinn.

[Maeaettaenen] Russia's recent negative statements on NATO's expansion have kept security policy as the main topic of conversation here in Estonia for some time. Naturally, the matter was raised when Finnish Foreign Minister Tarja Halonen had talks with Estonian President Lennart Meri and Foreign Minister Siim Kallas.

Foreign Minister Kallas said to Yleisradio that Estonia will not back up from its aims: membership in NATO and the support of the Western superpowers are the only guarantees and protection for security. The Estonians have come to understand that membership in NATO will not become reality in the near future. However, Foreign Minister Siim Kallas believes it will become reality one day. Foreign Minister Kallas believes the problem is that Estonia has not developed any other security policy alternative for the intervening period. One possibility would be to develop Estonian's defense preparedness, Kallas says.

Finland's official stance is that the Baltic countries decide for themselves what they want and NATO decides whom it takes as members. Foreign Minister Tarja Halonen reiterated in Tallinn that Finland will not apply for NATO membership. According to Halonen, it is important from the European security point of view that Estonia is included in the next round of European Union expansion.

A fairly extensive cooperation program was signed during Foreign Minister Halonen's visit to Estonia. Finland will this year increase its support on projects that aim at Estonia's EU membership. Finland is the second biggest donor country from all the Western countries after the EU. This year's Finnish aid to Estonia is just under 50 million Finnish marks.

Visa-free travel was also discussed: Finland and Estonia aim to establish visa-free travel next year. Visa-free travel will only include Estonian citizens. [passage omitted]

Estonia: Foreign Ministry Denies Links With Terrorists

WS0905082196 Tallinn Ministry of Foreign Affairs Press Release in English 1303 GMT 8 May 96

[FBIS Transcribed Text] The Ministry of Foreign Affairs of the Republic of Estonia has repeatedly condemned and opposed the use of terrorism anywhere, in any form and for whatever purpose.

Therefore, we view with surprise and concern the unfounded, illogical and confused allegations of Estonian involvement in weapons smuggling made by the Russian Federal Security Service [FSB].

All the charges made in this connection have been denied by the relevant authorities in Estonia.

As reported by Itar-Tass, the comments made by the FSB spokesman that Estonia is "seeking to aggravate relations with Russia" are not only inaccurate but unfortunate.

In addition, the spokesman's deliberate attempts to cast aspersions upon legitimate Estonian organizations such as the Kaitseliit are regretable. We assume that the statements made by the FSB officer are his personal opinions and do not reflect the official position of the Russian Foreign Ministry.

Despite the current series of hostile and threatening statements being directed at Estonia by various Russian political leaders and elected officials, the Republic of Estonia continues to pursue a policy of positive engagement with Russia using all possible diplomatic channels.

Estonia: Estonia Denies Arming Chechens, IRA

LD0805130796 Moscow ITAR-TASS in English 1244 GMT 8 May 96

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW May 8 (Itar-Tass) — Estonia regards as absolutely unfounded reports of the Russian Federal Security Service saying that it supplied arms to Irish militants and to Chechnya, but is ready to cooperate with the Russian Secret Service in putting a stop to illegal arms traffic, the Estonian Ambassador said in Moscow.

Estonia would welcome a proposal by Russia to establish such cooperation of secret services, Mart Helme, the Estonian Ambassador to Moscow, said at a news conference on Wednesday. "If Moscow is really interested in putting a stop to the criminal business, we are ready to back any steps in this direction," he said.

A press conference was held in connection with reports in the Russian press with a reference to the Russian Federal Security Service that Estonia supplies arms to commandos of the Irish Republican Army and to Chechnya. The Ambassador described such reports as "absolutely unfounded". Flatly denying Tallinn's involvement in such illegal deliveries, he, nevertheless, admitted that cases of illegal arms business were registered two or three year ago when the required legal basis was lacking in Estonia.

Estonian secret services relying on legal acts adopted by the national parliament maintain effective control in the area, Helme said. As an example he cited the case about illegal deals in arms by the Kaitselijt civil self-defence organisation several of whose leaders are under investigation.

Precisely this organisation was mentioned in reports as an arms contrabandist circulated by the Russian press with references to the Federal Security Service.

The Ambassador said that Tallinn had contacts with secret services of Great Britain and Ireland on the matter, and they did not confirm arms supplies by Estonia to Irish extremists.

Helme said that the root-cause of the scandal should be sought in Moscow, not in Tallinn. He said "some influencial circles in Moscow would like to present Estonia as a semi-criminal state and to complicate further the bilateral relations that are bad as it is".

Estonia: Weapons Smuggling Row Mars Relations With Russia

LD0805213096 Moscow NTV in Russian 1800 GMT 8 May 96

[From the "Segodnya" program]

[FBIS Translated Text] [Sergey Gaponov] A number of very influential circles in Russia want to portray Estonia as a semi-criminal state, and thereby to exacerbate the already extremely bad relations between our countries, Mart Helme, Estonian ambassador in Russia, told a news conference today. The news conference was called pretty hastily and was in response to the even more speedy actions by the Russian Federal Security Service, which the other day released reports that Estonian special services staffers were involved in illegal weapons trading. According to information at the disposal of the Federal Security Service, the flows of weapons go from Estonia not only to Russia and the former republics of the Soviet Union, but also to the

Balkans, as well as to fighters in the Irish Republican Army, which uses these weapons to carry out its acts of terrorism.

Pointing out that the British special services have no such information, the Estonian ambassador surmised that by disseminating such reports, the Federal Security Service is trying to rehabilitate itself for its failure in the north Caucasus, and in particular for the failure in Pervomayskoye.

Mart Helme cited the example of how, on the contrary, a consignment of illicit weapons from Russia — headed, incidentally, to the shores of foggy Albion — was seized by Estonian customs officers.

[Begin Helme recording] Our customs officials confiscated a consignment of pistols which came from Izhevsk and were indeed intended — as we know, as our special services know and as has also been confirmed through some other channels — for terrorist organizations in Great Britain and Ireland. [end recording]

[Gaponov] Mart Helme evidently made this statement in the desire to turn the barrel of the gun Moscow had shot at Tallinn back on itself. [Video shows weapons haul captioned, "Federal Security Service Public Relations Center"] However, spokesmen for the Russian special services are continuing to insist that Estonia is still a major supplier of illegal weapons to various countries round the world. Furthermore, whereas previously it was a matter only of pistols, now couriers are transporting explosive devices, weapons with silencers, and types of weapons used by some special services — in particular, sniper rifles used by the Italian special purpose forces. Russian Federal Security Service spokesmen assert that all of these weapons, to the last one, came to Russia from Estonia. The operation was carried out a few days ago in a town in Moscow Region. According to Russian counter-intelligence agents, several more such operations will be carried out in the near future.

Meanwhile, today's news conference by the Estonian ambassador was given an unexpected twist. Mart Helme informed journalists that he had been summoned to the Russian Foreign Ministry, and that he was going there literally an hour after his meeting with the mass media. The Estonian ambassador believed that the accusations made by the Estonians against a Russian diplomat in Tallinn would be the subject of the meeting.

[Begin Helme recording] We have evidence that a Russian diplomat was indeed engaged in Estonia in affairs which are not in keeping with the Vienna Convention. We have made representations on this matter to the Russian ambassador in Estonia, Mr. Aleksandr Trofimov, suggesting that he should draw his own conclusions from this. We have not yet demanded anything, and we would not wish to raise this case. [end recording]

[Gaponov] However, the Russian Foreign Ministry appears to have decided to forestall this, and this evening a report came on the agencies that an Estonian diplomat in Moscow had been asked to leave Russian, for activities incompatible with his diplomatic status. It was this that Mart Helme learned during his visit to the Foreign Ministry.

Experts are of the view that relations between the two countries could really be exacerbated further. And the subject of weapons is unlikely to be forgotten because of the expulsion of the diplomat, all the more so in that observers have already described today's news conference in Moscow as Estonian diplomats putting a brave face on a sorry business.

Sergey Gaponov, Vyacheslav Utkin, NTV Television.

Estonia: Foreign Minister Says Russian Diplomat Will Be Expelled

LD0805150896 Tallinn Radio Tallinn Network in Estonian 1400 GMT 8 May 96

[FBIS Translated Excerpt] The Russian Foreign Ministry today ordered one Estonian diplomat to leave the country. A representative of the Russian Foreign Ministry said the Estonian diplomat has to leave the country because of activities incompatible with his status, but refused to give the diplomat's name. Neither the Estonian Foreign Ministry nor the Estonian Embassy in Moscow has disclosed the name of the expelled diplomat.

The Russian Foreign Ministry today summoned Estonian Ambassador to Moscow Mart Helme and presented him with the order for the diplomat's expulsion. The Russian Foreign Ministry asked that the expelled diplomat leave the country. [passage omitted]

As previously mentioned, Estonia is also planning to expel one diplomat who works in Tallinn on suspicion of intelligence activities.

Estonian Foreign Minister Siim Kallas does not consider it possible that the person under suspicion could continue his work.

[Begin recording] [Kallas] About one and half weeks ago, the Russian ambassador was given the relevant information. He was asked to take appropriate measures. He was also informed that Estonia does not wish to regard this as a big issue of relations between us but wishes to continue (?normal relations) after this and to resolve this issue as a separate one.

By today it has become clear that this matter has not proceeded in this way. Russia has taken steps of its own. So we will decide on the rest of the issue in the near future.

[Reporter] Who is the Estonian diplomat who has to leave Russia?

[Kallas] Right now, I do not know, so I cannot say. I have some initial information, but as there is no official information I cannot comment.

[Reporter] What is he accused of?

[Kallas] I do not know. I do not know yet. Maybe we will know by the evening but right now we do not know.

[Reporter] Who is the employee of the Russian Embassy who will have to leave Tallinn?

[Kallas] We will announce all this very soon.

[Reporter] What is he accused of?

[Kallas] He is certainly being accused of what diplomats are usually accused of when they are expelled.

[Reporter] Intelligence activities?

[Kallas] Yes. [end recording]

[Announcer] This is the latest news, reported by Anne Osvet.

Estonia: TV Reveals Identity of Swapped Spies, Shows Evidence

LD0805184996 Tallinn Estonian Television Network in 1800 GMT 8 May 96

[From the "Aktuaalne Kaamera" program]

[FBIS Translated Excerpt] The Russian Ministry of Foreign Affairs decided to send an Estonian diplomat out of the country.

According to information at the disposal of Aktuaalne Kaamera the [Estonian] diplomat who was announced to be undesirable is, Argo Kuunemae, the second secretary of the consular department of the Estonian Embassy in Moscow. Kuunemae, 36 years old, began work in the Estonian Embassy in Moscow recently. Kuunemae graduated from the legal department of the Tartu University last year.

Estonia is accusing of intelligence activities Sergey Andreyev, economic adviser of the Russian Embassy in Tallinn. [passage omitted]

[Unidentified correspondent] The meetings between the Russian diplomat and the agent on a street and in a cafe in Tallinn have been recorded by the security police. During the last half year the security police received information that Sergey Andreyv, an adviser at the Russian Embassy in Tallinn, was collecting intelligence on Estonia.

[Video shows two shots of meetings of two men, one on the street and the other in a cafe.]

The agent who provided confidential information to Andreyv worked in the service of the Riigikogu. According to the security police press service, the Riigikogu assisted with the disclosure of the affair.

Estonia: Security Police Publish Data on Russian Diplomat

LD0905150196 Moscow INTERFAX in English 1257 GMT 9 May 96

[FBIS Transcribed Text] TALLINN, May 9 (Interfax) — Estonia's security police published data concerning a Russian diplomat suspected of espionage.

Video materials evidencing how Counsellor Sergey Andreyev of the Russian embassy engaged in espionage against Estonia were shown on Estonian TV Wednesday evening. Concealed camera filmed episodes of the diplomat's conversation with his source of information and handing of documents at a cafe. The diplomat received information from an Estonian citizen, a member of the parliament's chancellery.

Since the latter admitted his guilt, his name will not be made public, Director General of the security police Juri Pihl said. Foreign Minister Siim Kallas promised to publish in the near future additional materials testifying to the illegal activity of the Russian diplomat.

A week and a half ago Estonia's Foreign Ministry suggested to the Russian Ambassador to Estonia Aleksandr Trofimov that he should recall Andreyev and hush up the affair to prevent bilateral relations from being spoiled, the ministry's press secretary Juri Arusoo told Interfax on Wednesday. However the Russian side violated the agreement and announced that it will banish an Estonian diplomat in retaliation, Arusoo said.

According to the information obtained by Interfax, this is Andres Ku'u'nema'e, 36-year-old second secretary of the consular section, who arrived in Moscow recently. He is the first Estonian representative to be expelled from Russia. On the whole there are ten Estonian diplomats working in Moscow.

Estonia: Expelled Russian Spy Previously Expelled From Finland

WS1005075496 Tallinn BNS in English
1951 GMT 9 May 96

[FBIS Transcribed Text] Tallinn, May 9, BNS — Russian diplomat Sergey Andreyev, whose spying in Estonia sparked mutual expulsion of diplomats by Tallinn and Moscow on Wednesday, had been previously ordered out by Finland for the same reason.

A foreign diplomat based in Tallinn said Andreyev had been ordered to leave Finland in 1990 while working in the Russian diplomatic mission there.

The incident was not made public.

A spokesperson for the Finnish Foreign Ministry told BNS Andreyev had worked in Finland between 1988 and 1990, first as the second secretary of the embassy and later as the first secretary.

Andreyev assumed a post in the Russian Embassy in Tallinn in the fall of 1994. According to unconfirmed information, he is one of the most senior Russian intelligence officers ever to have worked in Estonia.

Andreyev, 42, officially was economic adviser of the embassy in Tallinn. Another diplomat, speaking to BNS also on condition of anonymity, said Andreyev's trade posting allowed him to keep broad contacts with Estonian economic and political circles.

It is also more common that consular officials at embassies would engage in spying, and generally the economic staff is less suspected of such activities, the diplomat said.

Lithuania

Lithuania: Government, IMF Fail To Reach Agreement on Key Issues

WS0805093596 Tallinn BNS in English
1722 GMT 7 May 96

[FBIS Transcribed Text] Vilnius, May 7, BNS — The Lithuanian administration, the International Monetary Fund and the World Bank have failed to come to a final agreement on major controversial issues.

If the positions are coordinated, the Lithuanian government will submit its formal proposals to the international financial institutions by June 1.

The announcement was made by Prime Minister Mindaugas Stankevicius at a news conference on Tuesday, the final day of the IMF mission in Lithuania.

The group of World Bank experts will leave Vilnius on May 10.

The key issues discussed at talks between the Lithuanian administration and the international bodies' officials were restructuring of banks, a cut in import taxes on agricultural produce and a rise in energy prices.

The prime minister told reporters it was agreed to freeze import taxes for the time being and to put off deadlines for their reduction to a later date.

"We have to protect our agriculture," Stankevicius said.

The IMF wants Lithuania to reduce import taxes on major agricultural produce to 20 percent by September this year. A further 10 percent cut must take place by September of the next year.

Also, the IMF urges for a sharp increase in thermal energy prices to consumers as early as this June. The Lithuanian government, however, suggests that the increase should take place from the start of the next heating season at the earliest.

"Introduction of new rates is a subject to be negotiated with the IMF because we have to weigh everything very carefully," Stankevicius told reporters.

A draft resolution worked out by the Energy Ministry provides for a 40 percent increase in the heat energy costs to consumers.

Though the IMF and World Bank missions are leaving without any clear results, the two sides "are close to each other," Stankevicius said.

The premier said he did not think the cooperation between Lithuania and the financial institutions would break off.

Lithuania: Premier Discusses Results of Visby Conference

WS0805091296 Vilnius ELTA in English
1643 GMT 7 May 96

[From "News Bulletin" No. 1004]

[FBIS Transcribed Text] Vilnius, May 7, ELTA — Lithuanian Prime Minister Mindaugas Stankevicius gave the press conference on Tuesday [7 May] to comment his last week's visit to Visby at the meeting of the governmental leaders of the Baltic Sea region and other events.

With regard to the Visby's meeting, Stankevicius said that there was a transition from declarations to concrete deeds.

From the very beginning of the Visby's meeting prime ministers made no official reports and went straight to discussions. The next meeting of governmental leaders is expected to consider two subjects: youth's activity and co-operation as well as reduction of crime, smuggling and flow of illegal refugees. All relevant information is to be prepared by the officials authorized by premiers.

Stankevicius said that in Visby he spoke with premiers of other countries and distinguished the discussion with Russian governmental leader Victor Chernomyrdin held on the initiative of the Russian side.

Stankevicius discussed with Chernomyrdin the Lithuania's debt to the "Gazprom" concern and about debts of Russian firms to Lithuania. Chernomyrdin noted that the "Gazprom" was a stock-company as well as the indebted Russian firms were private, therefore, "the state could not expose any pressure on them."

The two officials also discussed the debt of the "Vneshe-conombank" to Lithuanian nationals. Russian governmental leader assured that there were no problems to recover the deposits in Moscow, however, it was requested to return the debt to Lithuania, so that its citizens would not have to travel to Moscow. Documents related to return of debts were already prepared and both sides agreed to have the meeting of representatives of the central banks in the nearest future.

Informing about the missions of the International Monetary Fund and the World Bank Stankevicius did not presented any concrete results of the talks or figures, motivating that the talks were still underway. When the mission leaves, proposals and conditions will be reconsidered and information about final decisions would be sent in official letters.

Lithuanian premier mentioned three most difficult issues: customs duties on imported production, energy tariffs and reconstruction of the country's banks. "Our opinions are nearly similar, therefore, there is no threat to Lithuania's relations with the World Bank or IMF" premier Stankevicius said.

Lithuania: Foreign Ministry Anxious Over Russian Territorial Claims

*WS0905100496 Tallinn BNS in English
1900 GMT 08 May 96*

[FBIS Transcribed Text] Vilnius, May 8, BNS — There are political forces in Russia which are ready to ignore universally-accepted international legal principles and norms and bilateral agreements, a senior Lithuanian Foreign Ministry's official said in his comments on a recent statement by Russian State Duma deputy speaker.

Sergey Baburin's Russian All-People's Union (ROS) issued last Saturday a statement in which it insisted that the Klaipeda region on the Lithuanian Baltic coast belonged to Russia under resolutions of the 1945 Potsdam Conference.

Albinas Januska, the Lithuanian Foreign Ministry's secretary, told BNS he was worried that representatives of such forces were holding high positions in the Russian parliament.

These forces have become extremely active in the presidential electoral campaign in Russia, he said.

Last Tuesday, Lithuania's Foreign Ministry handed in a note to the Russian embassy in Lithuania to draw its attention to certain unfriendly statements by some Russian politicians.

According to the note, these statements were contrary to the Lithuanian-Russian treaty on the basics of interstate relations of July 29, 1991.

The parties to the agreement have pledged to respect the sovereignty, territorial integrity and border inviolability of each other under the principles of OSCE.

Lithuania and Russia agreed to ban any activities, organizations or groups aimed at destroying the territorial integrity of another state and prevent them from establishing themselves on the territory of the countries.

Russian authorities, however, have failed to react to the statements by Baburin and other officials, Januska said.

Lithuanian will continue its efforts towards a constructive dialogue with Russia despite the recent wave of statements against the Baltic states, the Foreign Ministry officials said.

Lithuania seeks to create additional preconditions for mutual understanding and confidence between Lithuanian and Russia and hopes that Moscow shares its position, Januska said.

Lithuania: Danish Defense Chief Arrives for Official Visit

*LD0905123496 Vilnius Radio Vilnius Network
in Lithuanian 0900 GMT 9 May 96*

[FBIS Translated Text] Rear Admiral Hans Garde, Danish chief of the defens staff is currently visiting Lithuania. He is to meet today General Jonas Andriskevicius, commander of the Lithuanian Army. The Danish chief of defense staff will also meet the president of the Republic of Lithuania.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.